Daily Report

Central Eurasia

FBIS-SOV-96-073
Monday
15 April 1996

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Russia: Yeltsin Stresses Need To Finish Reforms, Avoid 'Social Chernobyl'

LD1504125696 Moscow ITAR-TASS World Service in Russian 1133 GMT 15 Apr 96

[By ITAR-TASS correspondent Andrey Surzhanskiy]

[FBIS Translated Text] Moscow, 15 Apr (Itar-Tass) — "Today we should say honestly that the process of deep and large-scale reforms have not yet finished. It can still be reversed. Then instead of a controllable process, we will end up with an explosion, with unprecedented consequences," Russian President Boris Yeltsin said today at a ceremony dedicated to the 100th anniversary of the outstanding Russian scientist Nikolay Semenov.

According to Boris Yeltsin, it is important not to allow a political and social Chernobyl in Russia. "This is the task which we must resolve in electing the president of Russia." Speaking about the forthcoming presidential elections, Boris Yeltsin stressed that this will not simply be the national appointment of a head of state, determining the future of not only Russia but in many ways the whole of humanity. "I am confident: We can make the forthcoming elections of the president a final choice of Russia's future, so that democracy takes root in Russia forever," Boris Yeltsin stressed.

The head of state noted that one can already see quite clearly the conclusion of the first, most difficult stage of the reforms. "We are moving from survival tactics to a development strategy," he added, "from the liberalization of the economy and financial stabilization to a structural reconstruction and growth of production in industry and agriculture." Boris Yeltsin believes this should result in a steady rise in Russian citizens' standard of living. The president noted that today it has become possible to solve the most urgent social problems.

"I am determined to increase efforts to regulate the whole system of state rule," stressed the head of state. Yeltsin said that everything possible will be done to secure peace in Chechnya and to curb corruption and crime. "To act, and to act decisively, without waiting for the elections — that is the task I have set for all state structures," stressed Boris Yeltsin.

Boris Yeltsin said that uniting the Russian people is the most important task. He said that it is necessary to convince people that all Russian citizens without exception will start to benefit from the reforms already in the near future. "We are taking advantage of the historical chance that fate has given Russia as the new millennium approaches," he noted. Boris Yeltsin expressed a conviction that the planned program for intensifying economic reforms meets the needs of citizens and the requirements of the country. "For, me the renovation, the revival of Russia is the aim of my whole life," stressed the president.

Russia: NDR's Belyayev Launches Pro-Yeltsin Campaign in Far East

MM1204133396 Moscow ROSSIYSKIYE VESTI in Russian 12 Apr 96 p 2

[Report by correspondent Valeriy Golovin under the "Election 96" rubric: "The Far East Is Also Our Home"]

[FBIS Translated Text] Khabarovsk — Although the Russia Is Our Home [NDR] movement intends to make its official announcement of support for Boris Yeltsin in the upcoming presidential elections on 25 April, its leaders have decided not to waste any time. They are engaged right now in trying to convert the voters of the most "ill-favored" Russian territory to their faith. At any rate, Sergey Belyayev, leader of the NDR faction in the State Duma, is convinced that he can take the forces in favor of democratic reforms to victory by actually working in the regions.

It is not possible to describe as easy the numerous meetings Sergey Belyayev and his colleagues have had with the people of the Far East. The pro-Communist section of audiences has sometimes responded to the deputies' arguments by stamping its feet. But the representatives of the NDR faction have embraced these contacts and have not sought to avoid awkward, sometimes disagreeable questions. However, life does move on. And today the center is already beginning to view the Far East in terms of the region's long-term development.

And it is a good thing that the NDR regards itself as part of the so-called party of power and is not afraid therefore to accept responsibility for past mistakes. "Yes, we have paid too high a price in social terms during the reform of Russia," Belyayev said, agreeing with his opponents. "But the authorities today are proving by their action that they are not trying to avoid these problems, indeed they are increasingly pushing them to the forefront. The advent of a new and, furthermore, politicized leader as head of state will inevitably destroy this emerging approach. Therefore Yeltsin has to win, because Russia's future is on the line."

And to be frank, many people were impressed by the conviction shown by Belyayev and his colleagues. The upcoming elections will show whether this conviction has been taken on board by the majority of the people of the Far East. After Khabarovsk the NDR Duma faction headed off to Komsomolsk-na-Amure, then

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Vladivostok, Nakhodka, and Ussuriysk. With the Kurils still ahead. Discussion is not expected to be easy there either, but there is no reason whatsoever to avoid it. After all, only honest talk can really change the provinces' attitude to the authorities.

Russia: St. Petersburg Branch of Democratic Choice To Back Yeltsin

LD1304165896 Moscow INTERFAX in English 1543 GMT 13 Apr 96

[FBIS Transcribed Text] ST. PETERSBURG, April 13 (Interfax) — The St. Petersburg regional branch of the Russia's Democratic Choice party decided to support Boris Yeltsin at the June 16 presidential elections and Anatoliy Sobchak at the May 19 gubernatorial elections in St. Petersburg at its conference Saturday.

The political council of the party's St. Petersburg branch made such a decision "after long-lasting consultations and discussion," political council Chairman Vitaliy Sychyov said at a news conference on the results of the session.

The St. Petersburg branch of Russia's Democratic Choice is "satisfied" with Sobchak as "with the most predictable candidate for the governor," he said.

Regarding Russia's future president, Sychyov said St. Petersburg activists of Russia's Democratic Choice would like to see as Russian president Russia's Democratic Choice Chairman Yegor Gaydar or former First Deputy Prime Minister Anatoliy Chubays. "However, we should be realistic: Russians will not vote for them," he said.

St. Petersburg Mayor Anatoliy Sobchak said at the news conference that he supported Yeltsin "as a guarantor of the continuation of the consistent economic reform and the existing constitution."

The Communist Party of Russia is "a party of losers who tried to recover lost power with the use of armed force twice during the last five years," Sobchak said.

Sobchak also criticized Yabloko movement leader Grigoriy Yavlinskiy for what he said was Yavlinskiy's "inclination to revise the present Russian Constitution."

Russia: Yeltsin's Rating in Kuban Region 'Impressive'

LD1504102196 Moscow ITAR-TASS in English 1000 GMT 15 Apr 96

[By Viktor Zhilyakov]

[FBIS Transcribed Text] KRASNODAR, April 15 (Itar-Tass) — Two months before the June presidential elections in Russia, the political forces in its southern Kuban region, which Boris Yeltsin is due to visit, have completed their re-grouping: the diverse parties, movements and fronts — the region can boast up to 50 public and political alliances — have gravitated towards opposite "poles" and formed a few political blocs.

The most powerful is the left-wing, pro-communist alliance. At the last December parliamentary elections, the bloc was represented by the public and political movement "Fatherland" founded in February 1994.

Fatherland is a distinctly structured organisations with units in practically all cities and rural districts of the territory. Most of them sprang up on the basis of city and district committees of the Communist Party of the Russian Federation (KPRF).

The leaders of the KPRF territorial organisation which now has around 20,000 members regard "Fatherland" as a coordinating centre for various organisations primarily during election campaigns.

Even though the communists and their supporters appear to be in the lead, Boris Yeltsin's chances of winning the June presidential elections in the Northern Caucasus are quite impressive, and sociological surveys reveal that the communists will not be the "guiding and governing force" in this election campaign.

Although Boris Yeltsin's election campaign has just started, his rating in the Northern Caucasus and the adjacent Russian territories has tripled lately thanks to his recent strong and courageous decisions, the polls revealed.

In the Krasnodar territory, the reformist and nationally-oriented forces have a stronger potential than the communists and are likely to defeat the communist candidate in the second round of the presidential elections, local analysts say.

In 1991, 236,600 voters cast their ballots in favour of Boris Yeltsin in the presidential elections. The figure accounted for 65.1 percent of all the voters who took part in the polls.

This year, Yeltsin's supporters formed a territorial coordinating committee to back him in this year's presidential elections. Rector of the Krasnodar State Academy of Culture Irina Gorlova heads the coordinating committee, which has opened its subsidiaries in 46 cities and rural districts of the Krasnodar territory. A public chamber has been established under the chief of the territorial administration to bring together representatives of different political forces.

Of course, among the public and political forces, there still remain some which are not yet certain about their

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"favourite son" in the June elections. One such force is the territorial council of trade unions.

Local observers believe that Boris Yeltsin's visit to the territory on April 15 and 16 is likely to help them make up their mind.

Russia: Ilyukhin Argues Against Yeltsin Reelection

MM!504102696 Moscow PRAVDA ROSSII in Russian 11 Apr 96 p 1

[Article by Viktor Ilyukhin, chairman of the State Duma Security Committee: "Why I Will Be Voting Against B. Yeltsin"]

[FBIS Translated Text] Life itself, it seems to me, has pretty fully and persuasively put forward weighty arguments in favor of such a step.

The results of B. Yeltsin's rule of Russia have confirmed quite definitely that his time in the top posts of power and the activity of the government formed by him contravene the interests of the fatherland, its security, and the hopes of the ethnic Russians and all the people of Russia. They are geared to the continued destruction of statehood and are accompanied by constant contempt for the Constitution.

It is perfectly obvious that in June 1991, by means of deceit in the pre-election struggle and by speculating on the people's desire for renewal and the cleansing of society of all that is vile, the post of Russian Federation president was occupied by a perjurer, a lying politician and adventurer, a person of a low cultural and educational standard, an alcohol abuser. His popularity among the people was artificially inflated on the basis of the myth of fighting for the equality of all people. On the basis of the ostentatious renunciation of privileges, which he more than made up for once he came to power, and the sensational skirmishes in the Politburo and the Moscow City Party Committee apparently "for the triumph of justice." In reality, though, this was just ordinary bickering, a dirty fight for power and survival.

Frequently exposing someone or other, B. Yeltsin has destroyed more frequently than he constructed. He is not a creator, and he has attributed the lack of positive results to constant interference and machinations by his foes and opponents. It appears that everyone now understands this pretty well. And the fact that the time for destruction has long been over.

B. Yeltsin has usurped the power of the whole people and stopped taking their will into account. He has always been ignorant of the law and disdained it, he is egotistical and capricious. His principles can be expressed by the following maxims: "I am the Constitution, I am the people, I am the law, I am the power." That is why his rule is our pain, our misfortune, our guilt, our shame before the world community.

To vote for B. Yeltsin would mean voting for the continued genocide of the [ethnic] Russian people, the complete destruction of Russian statehood. It was he who annexed the country's age-old lands and cast the northwest of Russia back to the borders it had at the beginning of the 17th century, and has turned the Moscow Military District into a border district. It was he who, to suit the interests of the nationalist elite, betrayed Russian people in the Baltic republics, in Moldova, and the Transcaucasus. It was he who, instead of putting a stop to the mocking of the Russians, rescued his confederates in the breakup of the USSR — Shevardnadze, Landsbergis, Brazauskas, Snegurov, and others — from collapse, armed their regimes, and is pumping Russian oil, gas, fuel oil, and our other raw materials resources to them at low prices. With his rash statement "gobble as much sovereignty as you can," it was he who dealt a crushing blow to the state's unity, and caused carnage in the Chechen Republic and adjacent territories.

I cannot vote for B. Yeltsin because he and his underlings have brought Russia to a humiliating position on the world arena. Under him the former colonies are shamelessly seizing Russian naval ships and airplanes and taking their crews into custody.

Voting for B. Yeltsin would mean bringing the economic ruin of the country closer. During his rule the GDP, like the volume of industrial production, has fallen to half or less, and the Russians have been cast back by 20 or more years in terms of the consumption of material wealth.

Voting for B. Yeltsin would mean voting for Russia's extinction, because under him the country's population has been decreasing by a million or more every year. Under him, in the rural districts of Russia people have started using mixed feed and other waste matter for food. He has done everything to destroy our agrarian sector. By ruining the domestic producer, he has forced the country to work for European and U.S. farmers.

I will not be voting for Boris Yeltsin because under him over 80 million Russians have started to live on or below the poverty line. He has plunged us back into class antagonism — the harbinger of large-scale civil confrontation. By the hands of Chubays and Gaydar and their ilk he has left millions of people destitute, he has carried out a voucher fraud unprecedented in the world, and put the people's property into the hands of a small group of smart operators and con men. Time and again he repeals State Duma draft laws on raising pensions and wages for the people of Russia.

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B. Yeltsin has unleashed civil war not only in the North Caucasus, but virtually throughout Russia. Under him, crime has become a national disaster, taking the lives of hundreds of thousands of Russians every year. He has repealed laws put forward by the State Duma which are extremely important for countering crime, notably laws on combating corruption and on combating organized crime. It was none other than B. Yeltsin who opened the floodgates to shadow capital and criminal capital, which are now controlling over half of the country's economy. In his time the plundering of Russia has reached unprecedented proportions, and over $200-billion worth of Russian resources has seeped abroad.

I cannot vote for B. Yeltsin because he has assembled around himself hypocrites just like himself. And morals, morality, and the prosperity of the fatherland are alien to hypocrites. They need money, power, and posts, and it is unimportant how these are attained. Today they will betray one set of people, tomorrow another, and so it goes on.

I do not accept B. Yeltsin because he let incompetent and dubious people, such as Shakhray, Gaydar, Chubays, Urinson, Mostovoy, and Kozyrev into the government of Russia. In defiance of the opinion of the Federal Assembly, for almost two years he kept Ilyushenko — who has now been arrested for bribe-taking — in the post of Russian Federation general prosecutor, thus doing serious damage to lawfulness in the country and the prestige of the prosecutor's office.

I will vote against B. Yeltsin in order to preserve the Russian Army, in order to put an end to unemployment, corruption, pilfering from employers, and people's moral decay, their impoverishment and ruin. I will vote against him in order to put an end to the civil war, instill confidence in the future in people and save the country from Yeltsin's pernicious domestic and foreign economy.

Russia has borne losses on an unwarranted scale, it has paid in abundance for the bankrupted reform policy in order to enable B. Yeltsin to continue to destroy the fatherland and its security.

I am opposed to B. Yeltsin because I have not believed in him for long time. During the 1996 election campaign he is behaving in the same way as he did at the Russian presidential election in 1991. Once again we have the empty promises, once again the regal gestures, the affected demonstration of efficiency and competence, and the assurances to issue another "hundred" decrees, although the ones that have been issued nauseate the people.

Therefore remember, people of Russia, that someone who has lied once will deceive many times more.

Russia: Yeltsin Said Torn Between War, Peace Under U.S. Pressure

MK1304112296 Moscow ZAVTRA in Russian No. 15, Apr 96 (signed to press 9 Apr 1996) p 1

[Untitled "field report by DEN's Security Service"]

[FBIS Translated Text] The ultimate results of the presidential election appear more and more uncertain in light of a sharp aggravation of the political situation around Chechnya and Dudayev's unpredictability.

Last week the United States for the first time criticized Yeltsin and the Russian Federation for combat operations in Chechnya. The public statement, made by a State Department official, came as a follow-up to a superconfidential memorandum, that was handed to the Russian president bypassing the Foreign Ministry and special services, with a personal message from Clinton about the impossibility of a collective visit to Moscow by the G-7 leaders in the context of the ongoing war in Chechnya, including the use of aviation and heavy weapons. This shift by the Clinton Administration on the Russian question has come as a result of consultations with Kohl and contacts with officials of leading Muslim states. They demanded that Yeltsin be presented with an effective ultimatum on the issue of Chechnya, geared toward the election process in the Russian Federation and later in the United States. This means that the Washington establishment has been swayed by a pro-German interest group gambling, together with the FRG, on further disintegration of the Russian Federation by weakening the federal center and systematically strengthening the independent components, which under this plan should suspend the payment of taxes in the second half of the this year.

Yeltsin's approval of the peace plan, prepared by the Baturin-Pain group, based on recommendations from abroad, creates a new environment in the Russian political process. B.N. [Yeltsin]'s announcement of "peace in Chechnya" as the fifth main point of his election campaign, his telegram to Dudayev, promising to order a halt in combat operations, and finally his readiness to internationalize the process by involving foreign go-betweens — all of this suggests that Yeltsin has admitted the failure of his power line, and in effect Russia's defeat, in Chechnya, which in fact is not the case. A Gorbachev-era tactic is recurring. Meanwhile, the confidential document received from abroad states: "Historically, not a single Russian political regime has managed to stay in power after a defeat in war. In any event, defeat has already resulted in turbulent internal

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political developments." The conclusion made in the document highlights the need to raise the element of chaos in the Russian Federation political system.

The emerging situation is modeled to tie Yeltsin's and the Russian leadership's hands in using force to repel a new attack by Chechen rebels, thus demonstrating the total impotence of the Russian Federation as a power factor.

Yeltsin has two options. One is a consistent movement toward Dudayev's appeasement, a gradual withdrawal of troops from Chechnya, and the holding of 16 June election for the Chechen Supreme Soviet with the participation of the Dudayev forces. The latter will hardly agree to such a maneuver even under a strong pressure from foreign centers. Dudayev is very well aware of Yeltsin's distinguishing features and knows that B.N. never forgets the humiliation he has suffered while his victory will mean freedom of action for long-term operations by the Russian Government against the Chechen gunmen. It is logical to assume that Dudayev has an inherent mistrust toward Yeltsin and a readiness to use the emerging situation to his own advantage to the degree possible. The second option for B.N. is to demonstrate an aspiration for peace until early May and then to achieve a major success by resuming military operations.

Both scenarios involve tremendous costs for the Russian Federation president. In this context B.N. can be expected to adopt a mixed approach, which will be shaped by ongoing and upcoming circumstances, making it chaotic and inconsistent, which is also provided for at foreign centers.

Such an approach by Yeltsin will be built under time pressure and mounting negative developments in the financial and economic sphere, which will, to all appearances, intensify in the second half of May. Meanwhile Dudayev may possibly stage two or three noisy military-terrorist acts, like the storming of Groznyy or the capture of Budennovsk. With their average duration of some four to seven days and their dissemination by television in the public consciousness, we can expect a major plunge in public support for Yeltsin. According to confidential surveys by special services, at present support for B.N. in the first round is 6-7 percent. Analogous data are provided by the CIA.

With an upsurge in violence and terrorism B.N. will be confronted with the dilemma of either total capitulation or military retaliation, which is key to maintaining the image of a "strong president." If Grachev stays in his position of defense minister, such a scenario is still possible. Meanwhile, to all appearances, in the next few days the democratic forces will be actively promoting Kokoshin, who is a front man for the same groups that back Yavlinskiy and who is secretly interacting with them via his former colleague Lukin. Should this happen, Yeltsin will fully lose the possibility of power maneuvering. If he leaves Grachev, the resumption of military operations is inevitable, which should antagonize the democratic spectrum and create conditions for rallying it within the framework of the Yavlinskiy [election] campaign. This conjuncture gives quite a serious chance to Yavlinskiy, who has a strong backing in the United States, to get approximately 15 percent (4 percent from Russia's Democratic Choice, 7-8 percent from centrist blocs, and 7 percent from his own electorate). The Moscow democratic elite can well be issued the guideline to "concentrate attention on Yavlinskiy," which will reverse the situation before the election. If Yavlinskiy makes it into the second round, the democrats will be able to mount a forceful campaign, based on "anti-Yeltsinism" and "anti-Communism" to yet again seize supreme political power in the Russian Federation. In this event the United States will be guaranteed that Russia's heavy intercontinental missiles will be dismantled, while the FRG and Turkey will have the guarantee of the disintegration of the Russian zone of influence in the Caucasus with the prospect of further regionalization and disintegration of the Russian Federation....

Russia: Yeltsin Campaign's Think Tank Profiled

MK1204115896 Moscow OBSHCHAYA GAZETA in Russian No. 14, 11-17 Apr 96 (signed to press 10 Apr 1996) p 8

[Report by Yelena Dikun: "A File Is Being Created for the President"]

[FBIS Translated Text] There are fresh rumors: The "think tank" that runs Boris Yeltsin's election campaign is a "group at Volynskoye," an ad hoc scholarly team made up of selected intellectuals who have secluded themselves at a state country residence.

This is how it actually was under the ancient regime. From time to time, at a country residence, trusted representatives of the intelligentsia drew up first a CPSU [Communist Party of the Soviet Union] program, then a Constitution, then a general secretary's memoirs. The personal lineup of these groups and the object of their studies were kept in strict secrecy and were only declassified when they were of no interest to anyone.

Currently, times are more liberal, so your OBSHCHAYA GAZETA correspondent has managed not only to learn the names of the "Volynskoye hermits," but also to visit their workshop.

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The official name of the collective is the expert group in the Russian president's service of advisers. The group was brought together in early February and has been working since then under Georgiy Satarov, political adviser to the president. The team includes Emil Pain and Leonid Smirnyagin, members of the Presidential Council; Mark Urnov chief (now former) of the presidential staff's analytical administration; Vyacheslav Nikonov, who replaced him at this post; Mikhail Delyagin, chief of the economic department of the same administration; Oleg Vite, consultant of the Russian Government's Working Center of Economic Reform; Aleksey Kara-Murza, director of the Russian Reform Theoretical Problems Center; and Aleksandr Rubtsov, sector chief of the Philosophy Institute of the Russian Academy of Sciences.

All the "Volynskoye inhabitants" — except Rubtsov and Kara-Murza — are civil servants and, therefore, have no right to participate in election-related events at the government's expense during their working hours. Evidently, for this reason they shun contacts with the press and assert that the group performs regular expert work for the incumbent head of state, and has nothing to do with Boris Yeltsin's campaign. Only Aleksey Kara-Murza, our newspaper's longtime author and friend, agreed to meet with journalists; your OBSHCHAYA GAZETA correspondent visited him in Volynskoye.

The rehabilitation compound, which was built for party nomenklatura back in the Brezhnev era, is located in Moscow's forestry reserve near Poklonnaya Hill. The compound is surrounded by a high, impenetrable fence; entry is by permit only. Inside the compound everything is as it should be: towering pine trees, blue firs, thoroughly groomed promenades, a canteen with a billiard room and banquet halls. The expert group is quartered in the second building. Georgiy Satarov is occupying a deluxe suite (a study and a bedroom), the rest are accommodated in sanatorium-type single rooms offering a bed, a desk, and an armchair. The analysts' implements of labor — PCs — are right there, too. Besides the apartments the group has at its disposal a conference hall with about two dozen seats as well as a staff room, where the main computer, a copying machine, a fax, and other office gadgets are installed. In short, all conditions are in place for fruitful work and subsequent rest.

According to Kara-Murza, the main task of the expert group is "the intellectual replenishment of the authorities. Our main occupation is the analysis of political processes, the strategy of reform, the devising of arguments that could help the president in his debates with opponents."

Twice a week expanded meetings are held in Volynskoye. Usually, they are attended by Aleksey Salmin and Andranik Migranyan, members of the Presidential Council; Aleksandr Livshits, economic adviser to the president; once Lyudmila Pikhoya, presidential speechwriter, also dropped in.

The group's first major project was the drafting of the text of the president's message to the Federal Assembly. At the time, work was done at a breakneck pace, the intellectuals worked day and night. On regular days, however, the process of creation proceeds in a freer and more leisurely manner, no one is rushing anyone or breathing down anyone's neck. As a rule, Satarov offers for the collective's discussion a pressing subject, such as the alignment of political forces in Russia, the image of the country's future, the scenario of the Communists' behavior should they come to power, how to reduce the unpredictability of the elections, on what social forces can the president rely, how can reform go hand in hand with democracy, what should the incumbent president do to keep reform on track after the election, and so forth.

Every expert chips in on the subject according to his area of expertise. Oleg Vite, for instance, is responsible for the package of economic problems; Aleksandr Rubtsov, for ideological matters; Aleksey Kara-Murza is tasked with building historical bridges between the past and the present. In addition, every expert has been assigned an individual plan of work. Kara-Murza's plan features the following subjects: the Time of Troubles, historical analogies; dark and bright personalities in Russian history; attitudes toward historical personalities; namely, Peter the Great, Ivan the Terrible, Aleksandr II, Stolypin, Catherine II, Lenin, Stalin, Khrushchev, Brezhnev, Andropov, and Gorbachev. The president's attitude to the October Revolution, Communist rule, and perestroyka is to be considered in separate sections.

Judging from indirect signs, the objective of Professor Kara-Murza is to formulate the president's attitude to the aforementioned persons and events. The end products of the Volynskoye authors are analytical memos used in computerized form by presidential staffers to draw up texts and prepare "off-the-cuff" utterances for their patron.

At first glance it seems that the Kremlin speechwriters and image makers could just as well use the recommendations of research institutes and analytical centers that deal with great numbers of similar problems. Why set up yet another think tank?

The thing is that the work of the Volynskoye group is applied in nature and aimed at achieving a very specific objective — an election victory — by a specific

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candidate: Boris Yeltsin. In the West, this is called creating "a candidate's file." The goal is to equip a candidate intellectually for upcoming showdowns with his rivals and for winning the voters' sympathies. Your OBSHCHAYA GAZETA observer has obtained a curious questionnaire from a confidential source. The author of the questionnaire, simulating questions from the audience, asks a candidate: "What is your attitude to Lebed's program? In what way is your program better than those of the others? What is your difference from the other candidates? What is the main slogan of your campaign? Why is there no one from the initial team of reformers left around you?"

Since professionally trained specialists have been tasked with answering these questions, the inquisitive voters are unlikely to catch the candidate off guard. Boris Nikolayevich will find a fitting answer to any of the questions.

Aleksey Kara-Murza said, however, that the filling out of such questionnaires is not their group's business.

Apparently, this is the business of their counterparts working somewhere else: at the Kremlin or another state country residence.

Russia: Yeltsin, Zhirinovskiy Granted R150 Million for Campaign

LD1204170696 Moscow ITAR-TASS in English 1641 GMT 12 Apr 96

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — President Boris Yeltsin and leader of the Liberal-Democratic Party Vladimir Zhirinovskiy registered by the Central Electoral Commission candidates to the Russian presidency will be given 150 million roubles each for canvassing campaign.

The money will be allocated from the state budget in accordance with a resolution adopted by Central Electoral Commission on Friday.

The money will be remitted to special accounts opened in the Russian saving bank. It will be the first disbursement to the Election Funds of presidential candidates created in accordance with the law on elections. The law envisages the establishment of Election Funds to administer financial control over presidential candidates' canvassing campaign.

Earlier, the Electoral Commission had remitted the same amount of money to the Election Fund of communist candidate Gennadiy Zyuganov.

Russia: Yeltsin, Zhirinovskiy Incomes Reported

964F1786A Moscow ARGUMENTY I FAKTY in Russian Apr 96 No 15, p 2

[Unattributed report: "Yeltsin's and Zhirinovskiy's Income Declarations"]

[FBIS Translated Text] Thanks to the presidential elections, society has the opportunity to learn how much the president and State Duma deputies earn. According to his income declaration, in 1994 Boris Yeltsin earned R15,291,580.00, and in 1995— R26,784,596.00.

State Duma Deputy Vladimir Zhirinovskiy's salary over the same years was higher than that of the president. It was R27,375,936 in 1994. And R29,462,417 in 1995.

Unlike Zhirinovskiy, however, Yeltsin made quite a bit in foreign earnings. He earned $280,000 from publication of his memoirs. According to Press Secretary Sergey Medvedev, however, the president donated the proceeds from the Moscow reissue of his book "The President's Memoirs" to the low-income citizens fund.

Russia: Zhirinovskiy Only Candidate Supported in All Regions

LD1404153896 Moscow INTERFAX in English 1400 GMT 14 Apr 96

[FBIS Transcribed Text] MOSCOW, April 14 (Interfax) — Leader of the Liberal Democratic Party of Russia (LDPR) Vladimir Zhirinovskiy has so far been the only officially registered presidential nominee to turn in signatures supporting his candidacy from all of the 89 Russian regions, a representative of the LDPR electoral organization which proposed Zhirinovskiy for president told Interfax.

The majority of signatures supporting Zhirinovskiy was collected in Moscow (59,000), the Moscow region (69,000) and the Orenburg region (67,000), the same source said.

Only 18 signatures supporting the LDPR leader were mustered in the Koryak Autonomous District. Another 20 signatures were garnered in the Chukotka Autonomous District. The Altay territory and the Taymyr Autonomous District contributed 30 signatures apiece. Fifty signatures supporting Zhirinovskiy's nomination for the Russian presidency were collected in the breakaway internal Russian republic of Chechnya.

A total of 1.61 million signatures in support of Zhirinovskiy was submitted to the Russian Central Electoral Commission which registered him as a presidential candidate on April 5.

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Russia: Zyuganov Wants 'Soviet-Type' Power Structure

AU1504104096 Budapest REFORM in Hungarian 9 Apr 96 p 14

[Interview with Gennadiy Zyuganov, presidential candidate of the Communist Party of the Russian Federation, by Ferenczy Europress; place and date not given: "The Big Return, or Ahead Toward the Union of Big States"]

[FBIS Translated Text] [REFORM] What will the West think if you are elected president?

[Zyuganov] The West is pragmatic. I understood this long ago. The Western politicians and businessmen, as well as representatives of the scientific world and economists who visited me, could see themselves that we have good chances. The U.S. and European financial world will maintain their relations with Russia, with those in power, those who will guarantee stability. And we can guarantee all this....

[REFORM] So you are prepared to become Russian president?

[Zyuganov] If I become president, I would like to change the power structure. The current "strong" presidential system is not a good system, especially for a paralyzed society. The legislative power should control the executive power. The president must be elected by a body of deputies that exercises and represents the people's will above the president too. Russia does not even have an institution in charge of deciding whether the president is capable of carrying out his tasks, from a health point of view for example.

[REFORM] What is your opinion about Yeltsin supporter Prime Minister Chernomydin's party "Russia Is Our Home?"

[Zyuganov] We should better call it "Russia Is Their Home..." What can one say about a "home" whose owners waste, squander, and drink away everything they have? Or who neglect their children's education and instruction? Only every third child has school books in Russia today, and nobody takes care of elderly people either.

[REFORM] Do you present the situation in too dark colors?

[Zyuganov] The current regime does nothing. It does not lead the country. Presidential decrees make up hundreds of pages; they are signed and published, but nobody observes them! There are 20 million unemployed, 15 million undernourished, and 6 million refugees in Russia. Whole sectors of our economy have become nonoperational. The situation is threatening to blow up.

[REFORM] What are Zhirinovskiy's chances?

[Zyuganov] They are slowly decreasing....! He conducted a rather good campaign in the parliamentary elections in 1993 and he got a lot of media coverage. Of course, he will always find people to follow his radical slogans, but his support is decreasing. His constant appearances in public only help Yeltsin and Chenomydin: these two people only kept one promise: "Cheap Vodka for Everyone." Thus, vodka is cheaper today than bread.

[REFORM] What is your program for Russia?

[Zyuganov] The current situation resembles that prevailing in 1917. Russia is struggling for its own survival today, and we must find the way out. First of all, we must change our economic priorities and we must encourage production. Workers should jointly own the factories and we must guarantee social rights and supplies. We must create a "Soviet-type" power structure, from the lowest level to the highest level. As I already mentioned, the legislative power must control the executive power.

We also have a lot to do in the area of image-building, so that the world at large sees us as a sovereign and independent Russia. We will create a Union of Big States and the free will of individual states will be thoroughly asserted within this union. We will go back 68 years in history.

I hope that part of our army will support us, just like in 1917. The other part must go through a considerable moral change in order to become real supporters of the nation's rebirth. The armed forces must overcome the financial and technical problems and fulfill their obligation toward the homeland.

Russia: Zyuganov on Campaign Trail in Voronezh, Lipetsk Regions

LD1304174996 Moscow NTV in Russian 1800 GMT 12 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] [Studio announcer Mikhail Osokin] Commentators note that the leader of the Communist Party is becoming more and more active. He held a news conference in the Duma literally hours after getting back from a trip to the provinces today.

[begin recording] [Unidentified correspondent] Gennadiy Zyuganov today returned to Moscow after a campaign trip round Voronezh and Lipetsk Regions. In two days he held a total of nine meetings with voters.

In the Central Black Soil region, Zyuganov tried not to make tough statements. In effect, he behaved no

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differently in the provinces from the way he does in the capital.

The opposition's single candidate tried to please both radically-minded citizens and voters who are calm about the present authorities. Expounding his program, Zyuganov each time stressed the loyalty of communists to private property and enterprise.

At the same time, the candidate rejects the very idea of putting land into private hands.

[Zyuganov, shown addressing meeting] People are trying to get their hands on our land now. If they get it, tomorrow we will not be a people, but will be serving those who have bought up lands.

[Correspondent, over video of Zyuganov entering church, but not crossing himself; emerging side by side with priest] In Yelets, with Easter nigh, Zyuganov found a way to appeal to the believers among the voters. Waiving the ideas of materialism, he went into a church. The communist leader previously did this most unwillingly, and tried not to publicize such visits, too; only his entourage could venture to make frank statements.

Zyuganov was accompanied on his trip by Aleksandr Rutskoy, Vasiliy Starodubtsov, and Svetlana Savitskaya. The former vice president announced that in helping Zyuganov, he is counting, in return, on the latter's support in the elections for the governor of Kursk Region. His interests are not restricted to the region alone, incidentally.

[Rutskoy, interviewed in crowd] It is time to get down to things properly. We must bring Eastern Europe back into our orbit, so to speak, because they are our friends, and one must not betray one's friends. We have the potential, we have people, we have possibilities.

[Correspondent] Gennadiy Zyuganov himself spoke repeatedly about his possibilities, too. At rallies in Voronezh, Yelets, and Lipetsk he each time had an audience of 6,000, on average. To judge from those who turned out to hear him, one can surmise that the main part of Zyuganov's electorate in the Central Black Soil zone is made up of the elderly — people over 50. [end recording]

Russia: Zyuganov's Election Strategy Examined

964F1786B Moscow ARGUMENTY I FAKTY in Russian Apr 96 No 15, p 9

[Article by Andrey Fedorov, Political Research foundation: "Zyuganov on the Eve of the Elections..."]

[FBIS Translated Text] Zyuganov today bears little resemblance to the person he was two or three years ago. These days he is mainly a political figure thoroughly calculating his political moves. Zyuganov does not have to mount anything these days in order to attract society's attention. Behind him is the largest in number and most well-organized political party in the country.

Directly or indirectly, the CPRF [Communist Party of the Russian Federation] controls more than 150 print publications in the country. A score of Russian banks already contribute to financing the communist leader's election campaign.

Zyuganov is beginning to follow increasingly more the methodology of the 1989-1990 Yeltsin—a politician accessible to the people and communicating with the people directly. As the elections approach, this contrast is becoming increasingly visible against the backdrop of presidential cavalcades blocking off the traffic. In a way, the opponents have swapped their roles.

The key element of Zyuganov's election campaign will be taking advantage to a maximum extent of the current authority's mistakes rather than unfurling a large-scale prospect of a "bright future."

Everybody expects him to first of all correct the current situation rather than go into an all-out overhaul of Russian society, and this also frees him from the necessity of painting a picture of the future in detail. It is useless to attack Zyuganov by asking him questions like: "How will you reorganize the banking system?" because even if you get an answer at all, it will be far removed from reality.

It is hopeless to confront Zyuganov by quoting to him passages from his numerous books and articles, because in response the attacker will get an equally impressive bunch of quotations from Yeltsin. Moreover, Zyuganov today is interested more than ever in the powerful anticommunist wave being stirred up by the authorities. The Communist Party leader said flatly that "this sort of anti- advertising only saves us millions of rubles and convinces the people of the authorities' poverty of intellect."

Is Zyuganov a Hostage?

In parallel with Yeltsin, Zyuganov is trying to present himself as a figure personifying national accord. In one sense, it is more difficult for Zyuganov, and in another—easier to pursue this line than it is for Yeltsin. Formally, Gennadiy Zyuganov is not a presidential candidate from the CPRF. He was nominated by an initiative group of citizens, far from all among whom are party members, and registered as a "candidate from the people."

Under any circumstances, he will have to publicly make very serious promises. But if he wins, will Zyuganov be

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able to actually guarantee their fulfillment? Or will he become a hostage to his own party? As is known—and Yeltsin is an excellent example of this—after victory, supporters are often forgotten faster than opponents.

To win, Zyuganov absolutely must present a "government of popular trust," which would include sufficiently prominent figures rather than a gray mass of obscure personalities, albeit devotedly loyal to the CPRF.

We Say: Zyuganov. What Do We Mean?

It would be a mistake to say today that Zyuganov and the CPRF are twin brothers. As in any party, there exists a serious internal dissension of opinions and views in the CPRF. As a number of CPRF regional leaders admit, they are already "sick and tired of compromises." But in all these instances Zyuganov came out the winner.

Right now, nobody can realistically challenge Zyuganov's leadership in the party. Although, naturally, neither can one rule it out that in the event of electoral defeat, attempts to route Zyuganov from the party leadership post will be renewed.

Gennadiy Andreyevich knows how to listen to opponents and avoid rush moves. Besides, such a strong organizer as Kuptsov is completely on Zyuganov's side. The CPRF apparat has inherited from the CPSU its efficiency and discipline.

Many ask the question today: Is there such a thing as a "collective Zyuganov?" Yes. And in some respects he resembles the "collective Yeltsin"—equally invisible but very influential, and this influence will only increase as the elections approach. It is this "collective Zyuganov" that will never permit Zyuganov the individual to publicly cross the line separating a Communist from a Western-type social democrat. The statement made a few days ago by Zyuganov himself that "social democracy has no foundation or future in Russia" is further proof of this.

Zyuganov is not perfect and has made his share political mistakes over the past five years. Among them—voting in the CPRF faction in December 1991 in support of the decision to break up the Soviet Union, the zigzags in the fall of 1993, and many others.

On one hand, he seems to be publicly admitting his mistakes; on the other, his weakness in a situation where a conscious and resolute choice was required is obvious. Sometimes this is not forgiven...

Zyuganov does have, however, one inarguable advantage over Yeltsin. Against the backdrop of corruption scandals in the presidential and government teams (and the heat of such exposures will increase as elections approach), he looks attractive; his hands are clean: Here, look, I gave to the press my income declaration. If an attempt is made, however, to "hit" him by accusing of some dark business, he also has the means to strike back. It is already known that his team is collecting information on the honorariums Boris Yeltsin received from his books in the West and whether taxes have been paid on these amounts. Kwasniewsky recently dealt a blow of this kind to Walesa in the recent presidential elections in Poland, and the consequences of such a step seriously influenced the outcome of the elections.

Five Dangers on Zyuganov's Road to Power

First danger. The threat of Zyuganov's physical elimination. For many, this option in the development of events looks so attractive that it may become real. Closer to the elections, someone in Boris Yeltsin's entourage may get a fit of jitters, and Stalin's famous principle "no person—no problem" will be implemented. Naturally, in such case Yeltsin will not even be informed, while the perpetrators will act on the premise that "history will forgive them."

Second danger. The exacerbation of the State Duma's political confrontation with Boris Yeltsin and the government. The denunciation of the Belovezhskaya Accord and the refusal to ratify START II, as well as a possible vote of no confidence in the government coming up at the end of April—these are just a few pretexts for a conflict. A confrontation is politically disadvantageous for Zyuganov, since it puts him in a rather difficult situation on the eve of the elections.

Third danger. The disintegration of an emerging coalition between the left and patriotic forces, without which it will be difficult to win the elections. Neither should the eternal problem of "dividing portfolios" be discounted. This is as topical an issue for Zyuganov as it is for Yeltsin.

Fourth danger—"well-meaning idiots, who, for quite understandable reasons, are popping up around Zyuganov in increasing numbers.

The fifth danger is associated with the May Day celebrations. A repeat of the tragic events of 1 May 1993 in Moscow could bury Zyuganov's chances of becoming president.

If all these dangers remain in the realm of the potential, Gennadiy Zyuganov's chances of winning can only increase by election day, especially considering that the current authorities manage to make so many mistakes that it is sometimes mind-boggling.

The main question, however—whether the people are ready to see Gennadiy Zyuganov as the national leader

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and the holder of practically unlimited authority—can be answered only by the actual elections. If they take place...

Russia: Yavlinskiy Interviewed on Presidential Elections

LD1404215596 Moscow NTV in Russian 1700 GMT 14 Apr 96

[Studio interview with presidential candidate Grigoriy Yavlinskiy by correspondent Yevgeniy Kiselev; from the "Itogi" program — live]

[FBIS Translated Excerpt] [Kiselev] Grigoriy Yavlinskiy is in our studio today.

[Yavlinskiy] [passage omitted] My second, or even third meeting with Kwasniewski was very interesting for me. He spoke a lot about the tasks he had to solve today and asked many questions about Yeltsin's, Zyuganov's, and my chances in the forthcoming elections in Russia.

[Kiselev] And what did you tell him about your chances?

[Yavlinskiy] I told him that there were chances, but that it was very difficult to turn them into reality. At the same time, I told him that Boris Nikolayevich Yeltsin will have serious problems, and not only with reaching the second round but — and this is the main thing — if he manages after all to reach the second round, he is most likely to lose it to Gennadiy Zyuganov. And the main task of the next 60 days is to clarify that all this hullabaloo on television and in our newspapers today is very depressing. It is similar to what has already happened once with Russia is Our Home before the elections and Democratic Choice of Russia before the elections in 1993. All that ends in a complete fiasco because people do not vote following opinion polls.

[Kiselev Why are you so certain that these polls do not reflect the real situation?

[Yavlinskiy] First of all, they do reflect the real situation. And if you look at the ratings about voting in the second round that is precisely what you are going to see.

[Kiselev] But they are changing in favor of Yeltsin. One or two more steps are needed to bridge the gap completely.

[Yavlinskiy] Well, Yevgeniy Alekseyevich, you know what is happening with the ratings now and the way they are being presented. Let us not talk about them. Ratings are interesting, but I repeat, people will not vote following ratings. People will vote in a totally different way. After all, they do not vote to please the All-Russian Center for Public Opinion Studies. They will vote in accordance with their conscience or pragmatic considerations.

[Kiselev] But sometimes forecasts come true, don't they?

[Yavlinskiy] Yes, this happened once, only once and not with the authorities. Incidentally, think what happened to Leonid Kravchuk, Stanislaw Shushkevich, or Vyachaslaw Kebich, in other words, people in authority who could have hoped that the machinery that was working for them would ensure their success. But it failed. So Boris Nikolayevich's chances to win against the Communists are totally different from those pictured by everybody, including practically all television channels.

[Kiselev] Why are you so certain of this?

[Yavlinskiy] To be certain it is enough simply to live in Russia and talk to its people. Take your today's program, for instance. It is enough to watch the Chechnya reports to understand that everything else is nothing but a sideshow, whereas the essence is in those reports. The promised wages have not been paid, the Chechen war is continuing, the attempts to please the Communists by embracing Alyaksandr Lukashenka are very doubtful — he could have found a worthier person to embrace! — all this has failed even as election promises. So the real situation is much more serious than it may seem. [passage omitted: Yavlinskiy skeptical about his own rating in the polls and is evasive on all other issues promising to become more open after he is registered as presidential candidate]

[Kiselev] Let us consider the following situation. You have said that you do not want the Communists to come to power. Imagine you fail to reach the second round, and most forecasts are now showing that Yeltsin and Zyuganov will meet in the second round. What will be your line in this situation? Will you call on your supporters to vote for Yeltsin?

[Yavlinskiy] Any negotiations with Yeltsin on support for him in the second round are possible on the questions of principles only. If there is an absolutely clear and unequivocal statement on ending the Chechen war and the way it will be done, if certain guarantees are given regarding economic reforms and domestic policy, something that is missing today...[pauses] After all, judging by many political positions — and you have just shown this very well — Yeltsin's and Zyuganov's election campaigns are virtually identical in style. But in real politics the situation is even worse today, and the difference between what Boris Yeltsin is doing today and what the Communists are proposing is often

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very difficult to spot, not in everything but in very many aspects. So every communication with Boris Nikolayevich Yeltsin is not personal but political; and I cannot accept today his concrete economic, domestic, or foreign policy at all. And if relevant radical guarantees are given...

[Kiselev interrupts] And if they are not given?

[Yavlinskiy] If they are not given, everything will remain the way it is today. I think that in this case an enormous number of people will simply abstain from voting.

[Kiselev] But what is your own position?

[Yavlinskiy] I have answered you. If Yeltsin will not modify his policy, there is nothing to discuss.

[Kiselev] Don't you think that in this situation you are trying to speak with the authorities and the president using a language of ultimatums, as it were?

[Yavlinskiy] Not at all. I am speaking on behalf of the many millions of people who voted for me in the last elections to the Russian parliament. I am speaking on behalf of my supporters. It is not a language of ultimatums but, perhaps, that of partnership, only partnership is different from simple service and servility. [passage omitted]

[Kiselev] Thank you, Grigoriy Alekseyevich, for your answers.

Russia: Communists, Gorbachev To Defy Grachev Electioneering Ban

LD1304134296 Moscow NTV in Russian 2000 GMT 12 Apr 96

[From the "Today at Midnight" program moderated by Aleksandr Gerasimov]

[FBIS Translated Text] ITAR-TASS has reported that Minister of Defense Pavel Grachev has refused to assist the communists with regard to Gennadiy Zyuganov meeting servicemen on the territory of military units. Valentin Kuptsov, head of the communists' electoral campaign headquarters, made this request to the Ministry. The military department maintains that it would create a precedent if such events were to take place, after which all registered candidates would demand access to a military audience. The generals think this is not compatible with the legislation that is in force.

At the same time, Mikhail Surkov, a leader of Zyuganov's headquarters responsible for contacts with the military, told us that according to his information, a large group of deputies of the Our Home is Russia faction, headed by Sergey Belyayev, probably with the agreement of the supreme military leadership, is carrying out propaganda work in the Far East garrisons.

[begin Mikhail Surkov, deputy chairman of the Defense Committee of the Russian Federation State Duma, recording] Gennadiy Zyuganov is not the only presidential candidate today. There are also a number of candidates and they are using their present position to carry out agitation work in all military camps, unfortunately.

I would like the entire preelection campaign to be conducted simply in an honest way. One side is using its official position today and is carrying out political agitation for itself; and it is not just carrying out political agitation, but is also involving a number of army officials, their aides, in that agitation work, and they are issuing direct instructions on how to vote and for whom.

Other candidates are not being given such a right. They are being deprived of the opportunity to talk to that rich audience which is formed not only by representatives of the Ministry of Defense but of the power-wielding ministries and members of their families on the whole. That is a huge army of voters. [end recording]

In the opinion of the communists, one-fifth of the electorate, which servicemen and their families represent, is too serious a matter, and the opposition does not intend to hand them over to the propaganda of the present regime:

[begin Surkov recording] We will continue our work. In the next few days, all deputies — they do not have the right not to let us into military units — will work in military units and put forward their thoughts, their plans, their proposals. They will work in residential bases, will talk to families at their place of residence and will tell them about their ideas and proposals as far as the election of the president is concerned, too. [end recording]

It seems that the other presidential candidates will do likewise:

[begin Mikhail Gorbachev recording] Nobody, not even the all-powerful Defense Minister Grachev, can restrict the rights of citizens of the Russian Federation. That is the Constitution. He is not the one who adopted it. It is not up to him to interpret it or apply these interpretations. I think he has embarked upon the wrong path. I would perhaps only support one thing. These meetings with the electorate, with servicemen, should take place outside the framework of military units. I think that may cost Grachev himself and those who support him in this dearly. What do they want? To create a pool of votes in order to use them in a certain direction. They will not get away with that! They should know

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that. [end recording] [video shows Gorbachev being interviewed in a hallway]

However, it seems that the Ministry of Defense does not intend to give in. Judging from official reports, access for propaganda workers to military units is categorically forbidden — at least until 16 June.

Russia: Gorbachev Receives Credentials as Presidential Candidate

LD1304164196 Moscow NTV in Russian 1500 GMT 13 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Excerpt] The Central Electoral Commission examined at a sitting today the question of registering two candidates for the post of president of Russia: Martin Shakkum and Mikhail Gorbachev. [passage omitted]

Nikolay Ryabov, chairman of the Central Electoral Commission, handed to Mikhail Gorbachev his presidential candidate's pass and Gorbachev's most ardent supporters literally showered him with bunches of flowers.

[begin recording] [Gorbachev] I am receiving a special type of mandate on the eve of the great Orthodox festival. [Ryabov, others laugh] That means God is with us! Let's hope so anyway! [Ryabov, others laugh]

[Ryabov] But don't forget that this is offset by the fact that today is the 13th [laughter].

[Gorbachev] A previous candidate spoke of the Three Bogatyr [heroes in Russian folklore who defend Russia's frontiers]. I thought: I'm the fourth candidate, what can I be? What should I say? And I thought: There are the three musketeers. Who was the main one? It was the fourth one — D'Artagnan! [laughter] [end recording]

So another famous name has swelled the list of presidential candidates. But Gorbachev himself admits that he is entering the preelection race only because he does not see any politician who could be a worthy alternative to both [Boris] Yeltsin and [Gennadiy] Zyuganov. Moreover, Gorbachev is confident that a substantial part of the electorate will vote for him on 16 June.

Russia: Electoral Commission Defies Supreme Court Candidacy Ruling

LD1204145996 Moscow ITAR-TASS World Service in Russian 1327 GMT 12 Apr 96

[ITAR-TASS correspondent Igor Belskiy]

[FBIS Translated Text] Moscow, 12 April (Itar-Tass) — The Central Electoral Commission [CEC] has for a second time refused to register State Duma Deputy Vladimir Bryntsalov as a candidate for the presidency. The CEC is unable to agree with the decision of Russia's Supreme Court. This was stated today by Yuriy Vedeneyev, a member of the commission.

Vedeneyev said that the CEC was convinced that it had sufficient evidence of violations committed during the collection of signatures in favour of Bryntsalov. Vedeneyev said that it was possible that an appeal would be made to Prosecutor General to check the legality of the Supreme Court's decision and to halt its validity. He said that the CEC was ready to return to the question of registering Vladimir Bryntsalov after the Prosecutor General's Office had carried out a check.

"It is within the competence of the Supreme Court to overturn a decision of the CEC," Yuriy Vedeneyev noted. "But it does not have the right to force the the CEC to register Bryntsalov."

Nikolay Ryabov, chairman of the CEC said that the Supreme Court had not yet presented the explanatory part of its decision to either the CEC or the Prosecutor General's Office.

Russia: Bryntsalov Fails in Attempt To Register as Candidate

MM1204120896 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 12 Apr 96 p 2

[Report by Viktor Vodolazhskiy: "Central Electoral Commission in Interesting Position"]

[FBIS Translated Text] "If the Supreme Court rules in favor of V. Bryntsalov (let me remind you that the owner of the "Fereyn" FAO [expansion unknown] was denied registration owing to suspicions as to the authenticity of 527,000 signatures of the 1.4 million that he submitted)," Central Electoral Commission Chairman Nikolay Ryabov said to journalists recently, "an extremely interesting situation may arise. Many of the over 70 presidential candidates are trying to submit their applications and signature lists at the very last minute so to speak and pandemonium will set in when it comes to inspecting them."

Ryabov's words seem to have been prophetic. The court instructed the Central Electoral Commission to register V. Bryntsalov as a Russian presidential candidate by 11 April. The attempt by the owner of "Fereyn" to register on Wednesday [10 April] failed. He went to the Central Electoral Commission, but it was apparently not ready for the "official ceremony."

Answering in passing journalists' questions as to whether he intended to recover from the Central

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Electoral Commission 1 trillion rubles for offending his honor and dignity, Bryntsalov said genially: "The truth has no need of money."

As for the Central Electoral Commission, one can quite easily imagine that disquiet and confusion are reigning there. After all, everyone can still remember the series of sensational trials that the Central Electoral Commission lost on the eve of the parliamentary elections — against Yavlinskiy, Rutskoy, the association of lawyers, and so on. And what if the same thing happens now? How many presidential candidates will we have then, what size ballot paper will it be necessary to order? And the Supreme Court will evidently have to work without respite.

Russia: Supreme Court Suspends Ruling on Presidential Candidate

LD1304175696 Moscow ITAR-TASS in English 1738 GMT 13 Apr 96

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, April 13 (Itar-Tass) — Russia's Supreme Court has suspended its ruling on the case of billionaire Vladimir Bryntsalov, who has been denied registration as a presidential candidate, pending further investigation.

In a letter to the Central Electoral Commission on Saturday, deputy Supreme Court chairman Nina Sergeyeva said the ruling will be suspended until all the details of the case are properly investigated.

On March 29, the Central Electoral Commission refused to register Bryntsalov as a presidential candidate on grounds that he had violated the law during the collection of signatures.

On Wednesday, the Supreme Court ruled that the refusal was illegal and that he should be registered as a candidate before Thursday.

However, the Commission did not obey the ruling. Its member Yuri Vedeneyev told Itar-Tass that the Commission has enough information about violations during Bryntsalov's signature-collecting campaign.

He said that the Commission may ask the Public Prosecutor's Office to check the legality of the Court's ruling and suspend it. At the same time, the Commission may reconsider its decision after the Prosecutor's Office examines the issue, he said.

However, the twice rejected Bryntsalov said he was going to file an inquiry with the Constitutional Court asking it to look into the "original interpretation of the Law on the Election of the Russian President by the Chairman of the Central Electoral Commission," if the Commission failed to register him as a presidential candidate before 14:00 on Friday [12 April].

He voiced this warning at Friday's plenary session of the State Duma (lower house).

In the 1970s, he was expelled from the Soviet Communist Party because of his excessive thirst for luxury. He also lost his job with a salary of 350 roubles which was well above average for a common Soviet citizen at that time.

Upon dismissal, he engaged in apiculture, which made him one of the nation's richest people. At present, his property is assessed at two billion U.S. dollars. He owns the Ferane pharmacy chain in Russia.

In a televised interview earlier this week, he said he intended to enter the election race in an attempt to dampen the chances of the Communist forerunner, Gennadiy Zyuganov.

He said he did not oppose the current president, Boris Yeltsin. Bryntsalov said he agreed with him and was eager to keep the Communists out of power.

Russia: Electoral Commission Rejects Shakkum as Candidate

LD1304145396 Moscow ITAR-TASS in English 1447 GMT 13 Apr 96

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, April 13 (Itar-Tass) — The Russian Central Electoral Commission on Saturday refused to register Martin Shakkum, director-general of the Reform Fund, as a candidate for the upcoming presidential elections.

Among his subscription lists submitted to the Commission only those with less than one million signatures were in order.

A group supporting Shakkum submitted lists with more than 1,400,000 signatures to the Commission on April 3.

The electoral commission found serious violations in the lists for 30 regions.

If there are violations in a list of signatures collected in some region, the Commission may exclude all the lists for the region. The excluded lists contain, in particular, doubtful data on voters and signature collectors.

The electoral Commission decided to forward the doubtful lists to the Russian Public Prosecutor.

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Russia: Deadline To Submit Candidates' Support Lists 16 Apr

LD1504113496 Moscow INTERFAX in English 0921 GMT 15 Apr 96

[FBIS Transcribed Text] Moscow, April 15 (Interfax) — Signed lists in support of candidates for Russian president will not be accepted later than 6 p.m. tomorrow [16 April], the Central Electoral Commission has reported. So far it has registered four candidates — Communist Party leader Gennadiy Zyuganov, current Russian president Boris Yeltsin, LDPR [Liberal Democratic Party of Russia] chief Vladimir Zhirinovskiy, and ex-USSR president Mikhail Gorbachev. It has denied registration to noted Russian businessman, Duma member Vladimir Bryntsalov and to Martin Shakkum, first vice president of the International Fund of Economic and Social Reforms.

Meanwhile, the commission has received signed lists in support of yet another six nominees — Yabloko movement leader Grigoriy Yavlinskiy, eye surgeon Svyatoslav Fedorov, Gen. Aleksandr Lebed, businessman Artem Tarasov, MMM investment company chief Sergey Mavrodi, and former Federation Council member Vladimir Podoprigora.

Lists with signatures in support of yet another ten candidates are expected to reach the commission by tomorrow morning. Among these ten are State Duma candidate Galina Starovoytova, Chairman of the Kemerovo Region's Legislature Aman Tuleev, and Russian Conservative Party leader Lev Ubozhko.

In the meantime, the intention to withdraw from the presidential race has been voiced by 14 contestants, including Prime Minister Viktor Chernomyrdin, Constitutional Court judge Valeriy Zorkin, and State Duma member Konstantin Borovoy.

Collection of signatures in support of yet another 22 candidates has been stopped, among them leader of Russia's Democratic Choice Yegor Gaydar, head of the Russian Union of Industrialists and businessmen Arkadiy Volskiy, and Nizhniy Novgorod Governor Boris Nemtsov.

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CIS: CIS Council Meeting Results

LD1204195696 Moscow INTERFAX in English 1634 GMT 12 Apr 96

[From the "Presidential Bulletin" feature compiled by reporters Anna Kovalyova, Nikolay Zherebtsov, Andrey Petrovsky, and Boris Yunanov]

[FBIS Transcribed Text] A meeting of the Council of Commonwealth Prime Ministers was held in Moscow Friday to discuss 30 aspects of deeper integration in the Commonwealth of Independent States.

The chief item on the agenda was a new plan for Commonwealth integration in 1996-1997, which, in the words of Russian Prime Minister Viktor Chernomyrdin, "would open up a new page in progress towards a modern integrated community."

Chernomyrdin urged Commonwealth member-states to boost the creation of a common market of goods, services, capital and labor in order to finalize the Commonwealth Economic Union. He stressed "uncontrolled inter-state integration is nothing but an economic fiction." stressed.

The prime minister, who chaired the Council meeting, praised the role of recent Russian agreements with Belarus, Kazakhstan and Kyrgyzstan on deeper economic and humanitarian integration, as well as the Russian-Belarusian treaty on a Community of Sovereign Republics.

This is a "historic event, a serious and decisive step in consolidation," he said.

Chernomyrdin called on other Commonwealth partners to follow the example of four nations, which signed a treaty for boosted integration.

"Exports within the CIS dropped to 26 percent in 1995, as against 31 percent in 1994," said Chernomyrdin. He opposed a decision of some Commonwealth states to replenish their foreign currency resources with smaller supplies to their Commonwealth partners. "If we agree that our relations are a priority, we should abide by this principle in foreign trade policy," he said.

The prime minister believes the Russian-CIS goods turnover will increase by 6 percent in 1996 as compared to last year, and by over 15 percent in 1997.

According to experts, the most important economic issues discussed by the Council are agreements on coordinated measures in transit of oil and petroleum products, and fulfillment of national programs on state support to railroads.

Measures against crime was another topic highlighted by the meeting. Russian Interior Minister Anatoliy Kulikov said crimes have become a most serious problem, bearing in mind huge "crime exports" from the Commonwealth to Russia. The premiers signed an agreement on joint measures against economic and organized crime.

Documents on regulated procedure and principles of the joint air defense system of the Commonwealth, and agreements on joint measures of border services in crises on Commonwealth outer borders were highlighted by experts as well.

Russian Minister for Cooperation with the Commonwealth Valeriy Serov told Interfax they had reached a basic agreement with Kazakhstan on smaller export dues for Russian cars.

The meeting was a success, Chernomyrdin told the final news conference.

He said the prime ministers took decisions on all items on the agenda thanks to "the good work of the Commonwealth Interstate Economic Council."

The prime minister hopes the new plan for integration may help spread the Russian-Belarusian cooperation model on all the Commonwealth nations.

He stressed the prime ministers reacted positively to the documents on deeper integration between Russia, Belarus, Kazakhstan and Kyrgyzstan and the Russian-Belarusian treaty on Community recently signed in Moscow.

Asked about the Russian president's visit to Ukraine, Chernomyrdin said it will be held before Russian presidential elections, and a major bilateral treaty will be signed before the elections as well.

Chernomyrdin stressed, however, the visit will not be held till problems of the Black Sea fleet are settled. He said neither Moscow nor Kiev need "a visit for the sake of a visit," decisions are what they need. IF Note: Vasiliy Durdinets, deputy Ukrainian prime minister in charge of security issues and emergency situations, told Interfax in Kharkov that Ukraine will not withdraw its Navy from Sevastopol. He said Kiev had made numerous concessions to Russia during the talks but "there is a limit to these concessions."

"We are open for further talks. The two countries must complete the process (of talks on the Black Sea Fleet) in a civilized way, taking into consideration Russia's interests and Ukraine's national interests," he said.

The prime minister [Chernomyrdin] urged the sides to take into account historical realities in solution of the fleet problem. "Sevastopol is a special town for Russians, which ranks next to Volgograd and Leningrad.

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Too much Russian blood was spilled for these towns, too many Russian graves are there. This is history, and we do not have the right to ignore it," said Chernomyrdin.

He said he is satisfied with the constructive stand of the Ukrainian delegation at the meeting of Commonwealth prime ministers.

Baltics: Baltic Assembly Adopts Resolution on Events in Russia

LD1304205596 Moscow NTV in Russian 1500 GMT 13 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] [Studio announcer Mikhail Osokin] The Baltic States once again discussed their relations with Russia today, and many other things, too. Here is a report by our correspondent from Vilnius.

[Begin unidentified correspondent recording] During the Baltic Assembly session, Vytautis Landsbergis called upon the parliamentarians of Latvia, Lithuania, and Estonia to adopt a resolution called: On the events in Russia.

The Lithuanian deputy said today that we should not observe in silence what is happening in Moscow today. He said that the political situation proclaimed by forces that were victorious in the State Duma elections were tinged with militant chauvinism, revanchism, and the desire to restore imperial forces.

Landsbergis proposed that the following words should be included in the text of the Assembly's statement: After the elections to the Russian Duma and with the approach of the presidential elections, the situation in Russia is becoming more and more difficult and dangerous for all. The Baltic Assembly calls upon all countries and political forces to support Russian democracy.

The Lithuanian deputy ended his speech by saying that he thought that the methods for waging war in Chechnya were more reminiscent of military crimes fit to be brought before The Hague Tribunal.

Ivars (?Terzberg), a spokesman for the Latvian delegation, held a news conference during the interval in which he made it clear that a lot of what Landsbergis had said was not diplomatic and might be seen by some forces in Moscow as interference in Russia's internal affairs. He recalled that Landsbergis spoke of a draft text of the Assembly's statement that he thought will change once amendments had been introduced.

The Lithuanian and Estonian delegations did not hold news conferences during the interval. However, in corridor conversations their spokesmen spoke of the need to ask President Yeltsin to put an end to the war in Chechnya.

The Baltic Assembly session is still continuing. However, none of the parliamentarians present here can say yet unequivocally what the final text of that statement on events in Russia will be like. [end recording]

[Osokin] We have just received a report by telephone from our correspondent that the Baltic Assembly has just adopted a resolution on events in Russia. It is still not known what the final text looks like.

Baltics: Baltic Assembly Ends; Closer Cooperation Pledged

LD1304210296 Moscow ITAR-TASS in English 2054 GMT 13 Apr 96

[By Vladas Burbulis]

[FBIS Transcribed Text] VILNIUS, April 14 (Itar-Tass) — Latvia, Lithuania and Estonia ended the eighth session of their Baltic Assembly in Vilnius on Saturday with the adoption of the final document and nine resolutions and statements.

The participants in the Assembly, which consists of 20 parliamentarians from the three Baltic states, appealed to the European Union's inter-parliamentary conference to "recognise actual membership in the European Union of all states, which have filed their applications, before the established deadline."

The Assembly adopted resolutions to reduce transborder pollution, a joint programme to fight tuberculosis, a Baltic Sea research programme and other documents.

The session participants also adopted a statement on the situation in Russia and elected Ivars Janis Kezbers as the Assembly's chairman for one year.

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Russia: Yeltsin Signs Edict on Participation in Council of Europe

LD1304194496 Moscow ITAR-TASS in English 1937 GMT 13 Apr 96

[FBIS Transcribed Text] MOSCOW, April 13 (Itar-Tass) — Russian President Boris Yeltsin signed a decree on Saturday to ensure Russia's participation in the Council of Europe [CE].

The decree establishes an Interagency Commission for the Council of Europe and appoints First Deputy Foreign Minister Igor Ivanov as its chairman.

Considering the need to bring Russia's legislation in compliance with its international obligations arising from its CE membership, the decree orders the Commission to set up a working group for legal cooperation with the CE and prepare a draft federal programme to improve the national legislation in accordance with the CE standards.

The decree also provides for establishing Russia's permanent mission at the Council of Europe in Strasbourg.

The president ruled to set up an Institute of European Law at Moscow's Institute of International Relations.

Russia: Yeltsin Asks Duma To Ratify Treaty on Deepening Integration

LD1304163096 Moscow ITAR-TASS World Service in Russian 1558 GMT 13 Apr 96

[FBIS Translated Text] Moscow, 13 Apr — Russian President Boris Yeltsin proposed to the State Duma to "immediately ratify" the treaty between Russia, Belarus, Kazakhstan, and Kyrgyzstan about deepening integration and also the treaty of the Russian Federation with Belarus on creating a community, this was reported today.

"The president hopes that the ratification by the State Duma of these documents will enable deputies to extricate themselves from the ambiguous position in which they have found themselves, having attempted on 15 March to change the decision about the creation of the CIS," says the statement of the press secretary of the president, which was given to ITAR-TASS today.

Russia: 'Text' of Medvedev's Statement on Yeltsin's Message to Duma

LD1304184396 Moscow ITAR-TASS in English 1832 GMT 13 Apr 96

[FBIS Transcribed Text] MOSCOW, April 13 (Itar-Tass) — Russian President Boris Yeltsin urged the State Duma on Saturday to "ratify, without delay," an agreement on closer integration signed by Russia, Belarus, Kazakhstan and Kyrgyzstan and an agreement establishing a union between Russia and Belarus.

"The president hopes that the ratification by the State Duma of these documents will allow the deputies to rescue themselves from the dubious situation into which they have driven themselves by making an attempt on March 15 to abrogate the decisions on the establishment of the CIS," presidential spokesman Sergey Medvedev said in a statement transmitted to Itar-Tass.

Following is the full text of the presidential spokesman's statement:

"Today, the president of the Russian Federation advised the State Duma to ratify, without delay, the Treaty among the Russian Federation, the Republic of Belarus, the Republic of Kazakhstan and the Kyrgyz Republic on the Deepening of Integration in the Economic and Humanitarian Fields, as well the treaty with Belarus on the establishment of the Community of Sovereign Republics.

"Both treaties not only open a new stage of integration and gradual consolidation among Russia, Belarus, Kazakhstan and Kyrgyzstan, but also contain norms aimed at developing and strengthening the entire Commonwealth of Independent States.

"The president hopes that the ratification by the State Duma of these documents will allow the deputies to rescue themselves from the dubious situation into which they have driven themselves by making an attempt on March 15 to abrogate the decisions on the establishment of the CIS.

"Boris Yeltsin has instructed his representative in the State Duma to get the question of ratification of the above treaties included in the agenda of the next session of the State Duma to be held on April 17."

Russia: Ministry Previews G-8 Summit on Nuclear Safety

LD1404153396 Moscow INTERFAX in English 1400 GMT 14 Apr 96

[FBIS Transcribed Text] MOSCOW, April 14 (Interfax) — The heads of state of the Group of Seven leading industrialized countries and Russia will consider the possibility of creating safer modern nuclear reactors and other problems concerning nuclear security at the summit in Moscow planned for April 19-20, the Russian Atomic Energy Ministry told Interfax.

International groups of experts have already drafted the final communique of the Moscow summit and several other documents reflecting the G-8 position on illegal trafficking in nuclear substances and treatment of fissile

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materials received as a result of the dismantling of nuclear weapons, the same source said.

The G-8 heads of state will be handed information regarding the functioning of Russian nuclear power plants on the eve of the summit. Those at the summit will also receive a report entitled "Nuclear Energy - the Reality of the Contemporary World" prepared by Director General of the International Atomic Energy Agency [IAEA] Hans Blix. The document reflects the IAEA position regarding nuclear safety and security, and nonproliferation of nuclear weapons.

A joint Russian-U.S. exhibition on nuclear security and control over the safety of nuclear substances is expected to be held within the scope of the Moscow summit.

Russia: Clinton To Visit St. Petersburg Before G-7 Summit in Moscow

LD1204172696 Moscow ITAR-TASS in English 1647 GMT 12 Apr 96

[By Svetlana Ivanova]

[FBIS Transcribed Text] ST. PETERSBURG, April 12 (Itar-Tass) — U.S. President Bill Clinton will pay a brief private visit to St. Petersburg on his way to Moscow where a Group of Seven (G-7) and Russia summit on nuclear safety is expected to take place on April 19 and 20, sources in the St. Petersburg mayor's Office told Itar-Tass on Friday.

It will be Clinton's first visit to the city. He will land at St. Petersburg on April 18 in the evening. On April 19, he will visit the Peskarevskoye cemetery and meet the mayor, Anatoliy Sobchak.

Sobchak, who had not met Clinton before, told reporters that he did not know yet what they would be speaking about.

On April 19 noon, the U.S. President will leave for Moscow.

Russia: U.S. Congressmen 'Understand' Concern Over NATO Expansion

LD1404151596 Moscow ITAR-TASS in English 1452 GMT 14 Apr 96

[By Aleksey Bukalov]

[FBIS Transcribed Text] ROME, April 14 (Itar-Tass) — American congressmen have shown an understanding for Russia's concern about NATO's plan of eastward expansion, Vladimir Lukin, the State Duma International Affairs Committee chairman, said on Sunday.

The second international conference of Russian and U.S. legislatures finished in Rome today.

The conference, a closed-door event sponsored by the international Aspen Institute, has addressed Russian-American relations in the context of global issues.

"The American congressmen in fact for the first time have listened to all objections of Russian colleagues against the NATO plans to expands eastward, and have not rejected our arguments but tried to understand them," Lukin said.

Russia: Duma Delegation Leader Praises Results of Visit to Cuba

LD1204125496 Moscow ITAR-TASS in English 1239 GMT 12 Apr 96

[By Konstantin Zhukovskiy]

[FBIS Transcribed Text] HAVANA, April 12 (Itar-Tass) — Speaking here on Thursday before leaving by air for home, Vitaliy Sevastyanov, the leader of a delegation of the State Duma, the lower house of the Russian parliament, described the results of the delegation's official visit to Cuba as "exceptionally positive."

"We have held meetings with many Cuban leaders during the visit and had an opportunity to see for ourselves the current state of affairs on the island," Sevastyanov told Itar-Tass.

The Russian delegation leader estimates that Russo-Cuban relations continue to develop but that still greater efforts are necessary to revitalise them, including cooperation in finalising the construction of a nuclear power station at Juragua.

"We are planning to hold parliamentary hearings on the matter and to hear the government on the Juragua NPS issue so as to proceed to decisionmaking directly connected with State investments in the project. It is essential to start actively implementing the project soon," Sevastyanov emphasised.

Touching upon a meeting with Cuban leader Fidel Castro, the Russian delegation leader said a conversation with Castro was a "very good one." "It was held in a kind and cordial atmosphere and covered most diverse matters ranging from space research to Russia's and Cuba's policies," Sevastyanov said.

Castro "takes a very optimistic view of the future of bilateral economic relations, which once again confirms our confidence in the attitude of the Cuban side," Sevastyanov said.

A delegation of the National Assembly of People's Power (parliament) of Cuba is to pay a reply visit to Russia in the second half of May. State Duma Speaker

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Gennadiy Seleznev is expected to visit Havana early in July this year.

Russia: Panov, DPRK 'Differ' on Ways To Reduce Tension on Peninsula

LD1204132296 Moscow ITAR-TASS in English 1304 GMT 12 Apr 96

[By Ivan Zakharchenko and Andrey Kirillov]

[FBIS Transcribed Text] Pyongyang, April 12 (Itar-Tass) — Bilateral political consultations between Russia and North Korea ended in Pyongyang today after the parties agreed to differ on ways of reducing tension and ensuring peace on the Korean peninsula, Russian Deputy Foreign Minister Aleksandr Panov told Itar-Tass.

According to Panov, who took part in the consultations, Russia is concerned over the worsening of the situation on the Korean peninsula and thinks it necessary for Pyongyang and Seoul to show restraint and solve all problems through negotiations involving all parties concerned.

North Korea however insists on conducting dialogue only with the United States without any third countries or any intermediaries, Panov said.

Russia was told that North Korea needed no go-betweens, even if mediation was offered by the U.N. secretary-general or his representatives, Panov reported.

He said the Korean officials who took part in the consultations declared that "any action on the part of the U.N. Security Council would evoke nothing but irony in Pyongyang."

For all that, Panov declared, "there is no presentiment of the beginning of clashes, and North Korea believes that the United States would eventually agree to negotiations and then it would be possible to settle all the existing disputes."

The bilateral political consultations were held during a visit to Pyongyang of a Russian delegation led by Vice-premier Vitaliy Ignatenko. The delegation took part in the first meeting of the inter-governmental commission on trade, economic, scientific and technical cooperation between Russia and North Korea.

The consultations culminated in a meeting between the Russian deputy foreign minister and the North Korean foreign minister, Kim Yong-nam, to whom Aleksandr Panov conveyed a message from the Russian foreign minister, Yevgeniy Primakov. Kim Yong-nam said Primakov was well-known in North Korea and his activity in protecting Russia's national interests in the international arena was highly valued in his country.

Panov said his meeting with Kim Yong-nam made him feel that both countries were pleased with "the on-going development of our relations and that both countries were making considerable mutual efforts in this direction."

One evidence of this is the holding of the first session of the inter-governmental commission and political consultations in Pyongyang. This dialogue can take the two countries to a new, higher level of relations and restore mutual confidence between the Russian Federation and North Korea, Aleksandr Panov said.

Russia: Delegation Ends Visit to DPRK

LD1204141196 Moscow ITAR-TASS in English 1330 GMT 12 Apr 96

[By ITAR-TASS correspondent Ivan Zakharchenko and Andrey Kirillov]

[FBIS Transcribed Text] PYONGYANG, April 12 (Itar-Tass) — A Russian delegation led by Vice-Premier Vitaliy Ignatenko today wound up its visit to North Korea after participating in the first meeting of the inter-governmental commission on trade, economic, scientific and technical cooperation between Russia and North Korea. During talks with North Korean Vice-Premier Hong Song-nam and during meetings of experts from the two countries, the delegations discussed ways of intensifying business relations and the possibility of solving problems hampering intensification.

Vitaly Ignatenko met North Korean Vice-President Yi Chong-ok and conveyed through him a message from Russian President Boris Yeltsin to the leader of the North Korean state, Kim Chong-il.

The Russian President's message said Russia was ready to intensify the entire complex of relations with the Korean People's Democratic Republic on the basis of mutual respect, equitable and mutually beneficial cooperation.

Ignatenko described as "fruitful and productive" the work in Pyongyang of the first session of the inter-governmental commission on trade, economic, scientific and technical cooperation between the Russian Federation and North Korea.

Ignatenko stressed in a conversation with Itar-Tass the great importance not only of the fact that "we succeeded in restoring the efficient mechanism of the intergovernmental commission which won a very good reputation for itself over many years of joint activity in the past, but also in reaching an agreement to set up a series of working groups in such significant fields as science and technology, the timber and consumer goods

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industries, transport and cooperation with Russia's Far Eastern region."

North Korean Vice-Premier Hong Song-nam said he was satisfied with the work of the Commission and stressed that the two parties agreed to make further efforts in order to raise the two countries' economic and trade cooperation to the level it had reached by 1991, after which it declined dramatically.

Many of the problems touched upon during the commission's meeting remain unsolved. The most complex problem is the repayment of the North Korean debt to Russia and the fulfilment of mutual obligations by Russian and North Korean organisations, the Russian group's executive secretary Vladimir Fitin told Itar-Tass.

"I cannot say that we have found a sufficient and satisfactory solution to the problem because it was discussed for the first time at a high level, but on the whole we managed to reach an understanding that we must continue discussing the subject and look for approaches that would satisfy both parties," Fitin said.

During the visit to Pyongyang, bilateral political consultations were held between Russia and North Korea. Russian deputy foreign Minister Aleksandr Panov, who took part in the consultations, also met North Korean Foreign Minister Kim Yong-nam and held talks with his Korean counterpart Yi In-gyu [as received].

The parties expressed satisfaction with the on-going development of bilateral relations but differed on ways of easing tension on the Korean peninsula.

Both countries continue to make efforts to develop mutually beneficial bilateral relations and recognise that the very facts of convening the first meeting of the inter-governmental commission, which earlier had been repeatedly postponed from 1992, and holding political consultations in Pyongyang were good evidence of progress.

The Russian delegation left Pyongyang for home today.

Russia: Ignatenko Cites 'Serious Breakthrough' in North Korea Ties

LD1304094596 Moscow ITAR-TASS in English 0923 GMT 13 Apr 96

[By Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW, April 13 (Itar-Tass) — Russian vice-premier Vitaliy Ignatenko called, on Saturday, as "very timely" the official visit of the Russian delegation, he headed, to Pyongyang. He said this in an interview with Itar-Tass on the results of the visit which lasted from April 10 to 12.

During the visit, the sides held the first meeting of the intergovernment commission on trade, economic, scientific and technical cooperation as well as political consultations with the participation of deputy foreign ministers of the two countries.

"We are very satisfied that a visit at such a high level took place after a long period of stagnation in our relations. Its results were immediately reported to President Boris Yeltsin," the vice-premier said.

He expressed regret that the delegation did not meet North Korean leader Kim Yong-Il in Pyongyang, who was not in the capital at that time.

High-ranking North Korean officials told the Russian delegation head that Kim did not participate either in a meeting of the politbureau of the Korean Workers' Party, which was held in Pyongyang on Friday. They did not specify the agenda of the meeting.

The vice-premier stressed that the visit "was a serious breakthrough" in relations between the Russian Federation and North Korea, "which have relation to the notion of Russia's national interests".

"We started switching our relations to a serious civilised level", he stated, adding that "our North Korean partners should get accustomed to realities which have shaped up in Russia".

Russia: Zhirinovskiy, LDPR Oppose Transfer of Territory to China

LD1404175496 Moscow INTERFAX in English 1610 GMT 14 Apr 96

[FBIS Transcribed Text] MOSCOW, April 14 (Interfax) — Leader of the Liberal-Democratic Party [LDPR] Vladimir Zhirinovskiy "welcomes and fully supports the Cossacks, border guards, soldiers and officers of the Far Eastern military district, and the population of the Maritime Territory" who are protesting against the transfer of a part of Russian territory to China in accordance with the 1991 Sino-Soviet border agreement.

The press service of the LDPR faction in the State Duma, the Russian parliament's upper house, announced that the faction Wednesday will submit to the State Duma a draft resolution "on the inadmissibility of redrawing the Russia borders and on suspending the provisions in the Russian constitution which make the redrawing procedure possible."

The LDPR faction "is urgently drafting a law on the protection of Russia's territorial integrity, which will also be submitted the State Duma shortly," said a representative of the press service.

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Russia: Maritime Region Governor Stands Firm on China Border Issue

LD1204183996 Moscow Russian Television Network in Russian 1600 GMT 12 Apr 96

[Video report by correspondents V. Skvortsov and A. Terekhov, including recorded comments by Russian President Boris Yeltsin and Maritime Region Governor Yevgeniy Nazdratenko; from the "Vesti" newscast]

[FBIS Translated Text] [Correspondent] Reports yesterday that the Maritime Territory governor was unwilling to yield 300 hectares of land near (?Khasan) to the Chinese caused bemusement in Boris Yeltsin, to put it mildly.

[Yeltsin] Quite the contrary, I have signed an edict to accelerate demarcation of the border with China, because I am paying an official visit there soon.

[Correspondent] Yevgeniy Nazdratenko, who came to our studios today, said the border demarcation process had not been halted, but just suspended. But he was adamant that he will not hand over any Maritime Territory land and will not sign any such agreement with China.

[Nazdratenko] The disputed territory unquestionably belongs to the Russian Federation. The border has been there for 138 years. We cannot hand it over now. But as things are, it is going to China.

[Correspondent] China has highlighted a strip of land 17 kilometers inland from the big water [the Pacific]. Major General Rozov [name as heard] resigned over this. Ussuriysk Cossacks are the latest to start guarding the border.

[Nazdratenko] We think this is a strategic issue. China stands to gain access to the Sea of Japan from this, and Russian ports will lose their significance. The whole point of their existence will go. It is quite logical: A port is hard to build and hard to kill off, but once it is gone you will not get it back.

[Correspondent] The disputed parts of the Russian-Chinese border were recorded in an agreement in 1991. That, clearly, was when the concessions that Nazdratenko is against were made.

[Nazdratenko] We are asking for an addition to the agreement and to continue trying to clear this up. But the only thing the Russian Federation President should sign in Beijing...[pauses] He should sign, the border has to be ratified, and there should not be any friction between the two states. But Russian interests should be upheld.

[Announcer] A high-ranking Foreign Ministry official confirmed to INTERFAX today that Russia has no intention of reviewing the Soviet-Chinese agreement on the eastern parts of the border, concluded in 1991. The intention is to honor it in full and on time.

Russia: Iranian Nuclear Power Plant Endangers Russian Security

LD1504111296 Moscow INTERFAX in English 0921 GMT 15 Apr 96

[FBIS Transcribed Text] MOSCOW, April 15 (Interfax) — Russian fulfillment of the contract on a nuclear power plant in Bushehr, Iran, may result in the appearance of a nuclear nation not far from Russian boundaries, head of the Russian Security Council's interdepartmental commission for ecological safety Aleksey Yablokov told Interfax.

"If Iran has nuclear specialists, it will make great progress toward creation of its own nuclear armaments," he said.

The United States staged successful experiments in production of nuclear explosives with materials made in non-military nuclear reactors back in the 1960s, noted Yablokov.

"One can make a primitive nuclear charge without a colossal nuclear industry, similar to that of France, Great Britain, the United States, Russia or China. South Africa has proved it possible," he said.

Yablokov thinks the nuclear contract with Iran will endanger Russian security.

"What is more, any spread of nuclear technologies is fraught with violation of the Nuclear Non-Proliferation Treaty," said the official.

"It is strange that Iran, a nation with huge stocks of oil and gas, has decided to build such a dangerous facility as a nuclear power plant," he added.

Yablokov said his commission has submitted a report to the Russian president to object to the nuclear contract with Iran. "However, the opinion of Russian Nuclear Minister Viktor Mikhailov won," he said.

The $800 million contract on construction of a nuclear power plant in Bushehr was signed by the Russian nuclear ministry in January 1995. The plant will have a Russian light-water reactor of the VVER-1,000 type. The nuclear ministry has repeatedly stressed this reactor cannot be used for production of war nuclear materials, and the plant's construction and operation will be done under the IAEA [International Atomic Energy Agency] control.

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Russia: Russian-Iranian Nuclear Cooperation Viewed

NC1504095996 Moscow Voice of Russia World Service in Persian 1500 GMT 14 Apr 96

[Commentary by (Aleksandr Kushnir)]

[FBIS Translated Text] Plans for the expansion of Russian-Iranian cooperation for the peaceful use of nuclear energy have been published in Moscow. Our commentary (Aleksandr Kushnir) discusses this:

Russian Deputy Foreign Minister Albert Chernyshev has announced that a series of other projects for Russian-Iranian cooperation for the peaceful use of nuclear energy exist [words indistinct] in the nuclear power plant that is being built in Bushehr. He also stressed that the construction of the Bushehr Nuclear Power Plant will not (?create possibilities) for Iran's use of nuclear power for military purposes. In order to prevent anyone from thinking [words indistinct], it has been agreed that these installations become operational under international control and namely the International Atomic Energy Organization.

This is an extremely significant point because Russia's participation in the construction of the Iranian nuclear power plant has sparked great concern in many countries and, first and foremost, in the U.S. Washington has elevated the topic of the Russian-Iranian agreement on the manufacturing of nuclear energy to the highest level of its state policy. Thus, in all the meetings between the Russian and American heads, America has [words indistinct].

Washington claims that apparently using the Bushehr Nuclear Power Plant will [word indistinct] for the manufacturing of nuclear arms [words indistinct]. But this is not so. The Russian-Iranian agreement envisages reactors that cannot manufacture plutonium for weapons. Moreover, Russia — like the other nuclear powers that have signed the Nonproliferation Treaty — is committed to the principles of this treaty, and is helping nonnuclear countries within the framework of the peaceful use of nuclear power. Russia acts according to these principles in its relations with Iran and with other countries.

According to information from the Russia [word indistinct] ministry, currently there are 26 Russian-made nuclear reactors that are operating in [word indistinct]. Also, the construction of nuclear (?blocs) in Slovakia, [name indistinct], and Cuba is continuing. In addition, the location choosing process for the nuclear power plant in [word indistinct] is continuing. Also, requests for Russian-made reactors have been received from Turkey, Pakistan, Egypt, and Indonesia. Thus, Russia continues to play an active role in the nuclear technology market on the basis of international laws and the expansion of (?mutually beneficial) cooperation with [word indistinct] countries. This is independent of [words indistinct].

Russia: Black Sea Fleet Understanding Needed for Yeltsin-Kuchma Summit

LD1204111996 Moscow INTERFAX in English 1058 GMT 12 Apr 96

[By ITAR-TASS correspondent Artem Protasenko]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — The date of a summit meeting between President Yeltsin and Leonid Kuchma will be fixed only after understanding is reached on the Black Sea Fleet problem, Russian Prime Minister Viktor Chernomyrdin said at a press conference today after the end of a meeting of the CIS Council of Heads of State. Responding to a question of Tass, he pointed out that "there have been no changes so far in the solution of the Black Sea Fleet problem."

He stressed that "the President's visit should not be just a visit, it should bring concrete results." In his opinion, Russia is now living through a difficult period because of preparations for presidential elections, which, however, will not become "a playing card in relations with Ukraine." Chernomyrdin said that the problem of the status of Sevastopol was one of the key problems, connected with the Black Sea Fleet, and in tackling it it is necessary to heed the opinion of peoples of the two countries. "A decision on the problem of the Black Sea Fleet and on the status of Sevastopol should not depend only on the wish of leaders of the two countries. We have no right to disregard the opinion of our nations." According to Chernomyrdin, Sevastopol for Russians is in the same class with Volgograd and Moscow, remembering the battles of the Great Patriotic War.

Speaking about today's meeting, he said that it came as a pleasant surprise to him that the Ukrainian delegation had worked as constructively as never before.

Russia: Marchuk, Chernomyrdin Cancel Meeting For Lack of Progress

MK1304125096 Moscow KOMMERSANT-DAILY in Russian 13 Apr 96 p 2

[Report by Aleksandr Koretskiy under the "CIS Integration" rubric: "We Share Crime, But Not the Black Sea Fleet"]

[FBIS Translated Excerpt] It was not planned to make large-scale political decisions at yesterday's meeting of

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the CIS heads of government. Nonetheless, a number of documents approved by the meeting — on organized crime and economic crimes within the CIS territory — are extremely important if the national legislative systems are to be standardized and transcend the framework of "countering crime" per se. [passage omitted]

As for relations between Russia and Ukraine, the expected meeting between the Russian and the Ukrainian prime ministers did not take place. After the council's meeting, Viktor Chernomyrdin only remarked sadly that "there have been no changes yet" in the settlement of the Black Sea Fleet problem. Therefore, no new dates of a Russian-Ukrainian summit can yet be announced. The Russian premier is convinced that a presidential visit to Ukraine "should not be a visit for its own sake — it should produce certain results." Yet, although Russia goes through a difficult period of preparation for a presidential election, Moscow is not intent on turning its relations with Kiev into "small change." At the same time, the prime minister emphasized that the problem of the Black Sea Fleet cannot be resolved without defining Sevastopol's status. Noting that the heads of both states ought to heed the views of their peoples when determining the status of Sevastopol, Viktor Chernomyrdin reminded the audience that the Russians put Sevastopol on a par with such cities as Volgograd, Moscow, and Leningrad. In other words, the fate of a city that is the pride of the Russian Navy can only be decided by taking account of the views of both the Russians and the Ukrainians.

However, all that notwithstanding, Viktor Chernomyrdin thinks that Boris Yeltsin's visit to Ukraine can still take place before the presidential election in Russia. A full-scale Russian-Ukrainian treaty is also due to be signed before the election. It is difficult to say on what the premier's conviction is based — earlier Vasiliy Durdinets, Ukrainian deputy prime minister in charge of security and emergencies, said that Ukraine would never agree to the withdrawal of its Navy from Sevastopol, because, as Durdinets put it, Kiev has already made lots of concessions to Moscow during the negotiating process, "but there is a limit to such concessions." Given that, small wonder that Yevhen Marchuk and Viktor Chernomyrdin ended up having nothing to discuss, although as recently as Thursday [11 April] evening the possibility of their meeting was not ruled out — at least by the Ukrainian side.

Russia: Chernomyrdin, Moldovan Counterpart Hold Talks in Moscow

LD1204202896 Moscow ITAR-TASS in English 1927 GMT 12 Apr 96

[By Artem Protasenko]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — Russia and Moldova have signed four intergovernment documents upon completion of one-to-one talks held by Russian Prime Minister Viktor Chernomyrdin and his Moldovan counterpart Andrey Sangeli and talks between government delegations of the two countries held at the Russian government headquarters on Friday.

In particular, Chernomyrdin and Sangeli signed an agreement on trade and economic cooperation between Russia and Moldova in 1996-1997.

The Russian and Moldovan vice-premiers signed a protocol on recognition of Russia's right to property of enterprises located in Moldova and Moldova's right to property of enterprises located in Russia and an agreement on the order and terms of privatisation of facilities owned by Russia on the territory of Moldova and facilities owned by Moldova located on Russia's territory. The fourth document signed today is an agreement to avoid double income and property taxation and prevent tax evasion.

During the talks between government delegations, on Chernomyrdin's initiative the sides adopted a resolution to set up an intergovernment commission on cooperation between Russia and Moldova. The Moldovan delegation proposed to establish a council of finance ministers of CIS countries.

At a briefing held after the signing ceremony, Chernomyrdin told journalists that as far as the settlement of problems with his CIS colleagues were concerned, today's talks were as fruitful as ever. Commenting on today's session of the council of heads of state of the CIS, the premier said that for the first time in recent years the talks were so constructive that practically all the problems had been resolved.

Chernomyrdin noted that during the talks representatives of the finance ministries of the two countries were instructed to offer recommendations on the problem of restructuring Moldova's debt to Russia.

The Russian prime minister also noted that the sides had resolved the problem of exports of alcohol beverages from Moldova into Russia.

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Russia: Mutalibov's Arrest Seen as Likely Mending of Fences

MK1304105196 Moscow KOMMERSANT-DAILY in Russian 13 Apr 96 p 4

[Commentary by Georgiy Bovt, Stanislav Tarasov: "Best Gift to a Friend Is Head of His Enemy"]

[FBIS Translated Excerpt] According to information from competent sources, Azerbaijani Ex-President Ayaz Mutalibov was arrested at his apartment yesterday by Moscow criminal investigation operatives.

The Azerbaijani authorities have been long — but vainly until recently — pressing Moscow for extradition of the ex-president, referring to him as one of the leaders of the implacable opposition to Geydar Aliyev's regime. Aliyev, too, more than once made it understood that big forces had been committed to catch the opponent. And big money. It is Mutalibov whom Baku targeted, accusing him of masterminding a coup attempt last March. At that time, as many people know, a special-purpose police detachment (OPON), led by the Dzhavadov brothers, came out against Aliyev. True, according to available information, an investigation did not confirm Mutalibov's direct involvement in the March 1995 developments, while at the same time the investigation collected slews of damning evidence against Turkish special services, including the Turkish Institute of Strategic Studies. As for Mutalibov personally, the incumbent president Aliyev did not institute criminal proceedings against him. He was arrested in Moscow on charges brought at the time of the People's Front and the Abulfaz Elchibei government. He is accused of organizing mass disturbances in Baku in May 1992. [passage omitted]

It should be noted that, according to KOMMERSANT-DAILY's information, the FSB [Federal Security Service] has more than once refused to participate in hunting for members of the Azerbaijani opposition, a number of whom had protectors in the General Staff, the GRU [Main Intelligence Directorate], and the Defense Ministry.

Mutalibov's arrest was preceded by some developments that seem to have a direct bearing on the arrest. I have in mind press leaks (the leaks, as a rule, came from the FBS) on Azerbaijani authorities' patronizing Chechen fighters. Mikhail Barsukov even openly charged Azerbaijan with connivance with Chechen terrorists. Baku has more than once resolutely denied such charges. Several days ago this was first done by Geydar Aliyev and then Azerbaijan's Embassy in Moscow arranged a special press conference. Will Mutalibov's arrest become Moscow's signal of its readiness for a rapprochement with Baku in the light of integration within the CIS, which has become extremely topical politically, and its response to the signals being sent by Baku of late on desirability also for Azerbaijan of such a closeness? Will Azerbaijan take some effective additional steps to block the Dudayevites' actions from its territory, meeting halfway President Yeltsin, who is simultaneously campaigning for reelection and an end to the Chechen war? Will there be any steps to meet Russia halfway in the matters of transit of Caspian consortium early oil? The answers to these and a number of other questions may transpire in the nearest future — and precisely in connection with the "Mutalibov affair." It may become a symbol of some new relationship between Moscow and Baku. Or it may not.

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Political Issues

Russia: Yeltsin Meets Leaders of Regional Legislatures

LD1204184196 Moscow ITAR-TASS in English 1753 GMT 12 Apr 96

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — President Boris Yeltsin met leaders of Russian regional legislatures on Friday.

The presidential press service's release says that this is the first Yeltsin's meeting with them.

The meeting centered on the evolution of Russian federalism, social, economic and political problems.

Addressing the meeting, Yeltsin said the key principle of federalism is integrity of the state. He stressed that statutes passed by some regional legislatures to the detriment of statehood may not be tolerated.

Yeltsin cited as another painful problem the term of office of regional legislatures.

Although some of them are on their way out, neither dates of new elections nor their legal basis have been laid down, Yeltsin said.

He said this was the reason for his issuing a decree in September of the last year to extend the powers of legislatures and postponing their re-election.

Yeltsin said he firmly opposes calls for holding regional legislative elections in months to go before Russia's presidential election.

He called on the meeting to put off the legislative elections for a later date.

Yeltsin also said he did not agree with presidential candidates rushing to extremes in their assessment of Russia's situation.

Some are clamouring for a halt to any reforms and undoing what Russia has already achieved, while others claim that Russia has been nowhere near reforms, Yeltsin said.

He believes that over the past five years Russia has been through what contains an epoch. The adopted constitution ensures political stability, free democratic elections have gained a firm foothold, and progress, if difficult, towards a market economy is consistent, Yeltsin argued.

Price growth has been curbed, he went on to say. Yeltsin said inflation in February and March was the three per cent lowest in the period of reforms. The monthly inflation rate is not bound to be above one per cent by the end-year, he said.

The budget deficit has been cut threefold, and production is in qualitative improvement, Yeltsin said, adding that a priority now is to boost real investment.

He admitted, however, that social costs of reforms had proven high. Yeltsin assured that he had drawn lessons, and the state had already adopted programmes to attend to social dimensions of reforms.

Yeltsin went on to say that he warns advocates of a comeback of Soviets that they would lose all advantages endowed by the Russian constitution if Soviets in fact re-emerged. He added, however, that Soviets will never have a chance to come back in Russia.

Yeltsin said his duty is to hold to the course on which Russia embarked five years ago.

The course may and should be corrected, but not abandoned, he summed up.

Russia: Yeltsin, Prosecutor General Discuss Law Enforcement

LD1204194796 Moscow INTERFAX in English 1634 GMT 12 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Boris Yeltsin received Russia's Prosecutor General Yuriy Skuratov today.

According to the presidential press service, Yeltsin and Skuratov discussed preparation for an All-Russia conference on fight against crime and mapped out ways of coordinating the work of law enforcement bodies.

Yeltsin was told how the socially important cases, part of which is under his personal control, are being investigated.

Speaking in Duma on the same day, Skuratov stressed that "the real state of affairs with crime in Russia is, in fact, much worse, than statistics show."

Every recorded crime is matched by two unregistered ones. Given latency, the number of crimes in Russia stands at 10 million against 2.7 million put in statistics, Skuratov said, adding that criminologists expect uncovered crimes in Russia to more than double by the end of this century.

Skuratov specifically noted that courts "hardly manage to sift through the investigated crimes", and the burden laid on some of the law college students, compelled to work as investigators, "exceeds reasonable limits." Last year, 35 percent of the perpetrated crimes, 8000 homicides including, remained uncovered.

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The prosecutor's office "is worried not only by rampant crime but also by its qualitative change, in particular, mounting juvenile crime, spelling "quite dim" prospects for our society."

Noting the presence of criminal elements in the army, Skuratov reported that crime in troops had been up 26 percent last year. Most of the felonies were brawls, as a result of which 103 servicemen died, more than 800 were crippled, and 2,600 morally suffered from criminals.

Skuratov asked Duma to return to the Prosecutor General's Office the right of legislative initiative with possibility to appeal to the Constitutional Court.

Although the main judicial department "has recorded facts of breaching the law in the sphere of holding presidential elections in Russia," they are not enough to start a legal case, Skuratov said.

Asked what he thinks about office abuse in the election campaign, Skuratov described the formation of an election campaign headquarters at the State Committee for Metallurgy as a breach of the election law.

On the whole, in Skuratov's opinion, "the legal base for holding presidential elections is sufficient." It is another matter that Russia is going to have multi-party presidential elections for the first time on record, and for this reason the application of law creates problems sometimes, Skuratov stressed, adding that the Russian Supreme Court has no right to oblige the Central Election Committee to register State Duma Deputy Vladimir Bryntsalov as a candidate for Russian president.

The Supreme Court accepted as fair the lawsuit filed by Bryntsalov against the central electoral body for its refusal to register him and obliged the commission to register the deputy. The dispute is to be settled tomorrow.

Although the Supreme Court can dismiss the Central Election Committee's actions as illegal, it has no right to demand registration, Skuratov said.

The Central Election Committee has been verifying the subscription lists, submitted in support of six candidates to the Russian presidency, including ex USSR President Mikhail Gorbachev, Yabloko leader Grigoriy Yavlinskiy, duma deputy, Gen. Aleksandr Lebed, eye specialist Svyatoslav Fedorov, leader of the International Fund for Economic and Social Reforms Martin Shakkum, and businessman Artem Tarasov.

Commander of the Far Eastern Military District, Gen. Viktor Chechevatov, who has collected 1.15 million signatures, has informed the committee that he is revoking his candidacy.

The committee has also registered the incumbent head of state Boris Yeltsin, the Communist Party leader Gennadiy Zyuganov, and LDPR [Liberal Democratic Party of Russia] leader Vladimir Zhirinovskiy as candidates for Russian president.

Russia: Yeltsin Signs Law on Changes, Additions to Criminal Code

LD1304213996 Moscow ITAR-TASS World Service in Russian 1639 GMT 13 Apr 96

[FBIS Translated Text] Moscow, 13 Apr (Itar-Tass) — Russian President Boris Yeltsin today signed the federal law "On changes and additions to the Criminal Code of the Russian Soviet Federative Socialist Republic and the Criminal Procedure Code of the Russian Soviet Federative Socialist Republic," which was passed by the State Duma on 15 March 1996, the press service of the head of state reported.

The changes in the law concern, in particular, the criminal liability of citizens for crimes committed abroad, and liability for violating Russian legislation on the continental shelf.

Russia: Bellona To Publish Nikitin 'Spy' Report During Nuclear Summit

BR1504100696 Oslo AFTENPOSTEN in Norwegian 13 Apr 96 p 3

[Report by Kjetil Bragli Alstadheim: "Nikitin Could Face Military Death Sentence"]

[FBIS Translated Text] Aleksandr Nikitin could be sentenced to death by a military court. Bellona is demanding that the case be transferred to a civilian court.

Through the Russian Constitutional Court the Bellona environmental organization was able to push its demand that the imprisoned Bellona worker should choose his lawyer himself. Now Bellona wants a second round about the Nikitin case in the Constitutional Court. This time to demand that Aleksandr Nikitin be tried by a civilian court.

Breach

The question of pretrial custody for Nikitin was dealt with by a military court. Nikitin was an officer in the Russian Northern Fleet, but he is not any longer.

Bellona leader Frederic Hauge therefore takes the view that it is a breach of internationally accepted principles

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and human rights if the case against Nikitin is brought before a military court.

"In a military court everything is secret, there is a limited right to call witnesses, and a limited right of background evidence. Nikitin's lawyer is very worried that the case will be decided there," Hauge said.

It could take a whole year for the case to come up before the Constitutional Court.

According to Frederic Hauge, after Nikitin was allowed to meet with his lawyer, it has been revealed that the FSB [Federal Security Service] had placed an agent as a "fellow prisoner" in Nikitin's cell.

From the first day Nikitin suspected that his cell mate was not an ordinary prisoner. When we revealed this the agent was released and Nikitin put into isolation," Hauge said.

Now another Russian Bellona worker is being threatened with prison by the FSB. Igor Kudrik has several times refused to allow himself to be interrogated without a lawyer present. He is also refusing to sign a paper giving him security clearance.

"Because of this the FSB is threatening him with six months' imprisonment," Hauge said.

Four Million

Bellona is now considering setting its work on all other matters aside. The reason is that the Nikitin affair and the efforts the organization is making in Russia require all the organization's resources. The additional spending is estimated at 4 million in 1996.

However, some "nice uncles" have stepped into the arena. Shopping mall king Petter Stordalen of Steen & Strom Invest and financier Christian Sveaas are each contributing 200,000 kroner to the environmental organization.

Bellona Report in Moscow

In Moscow on Thursday [18 April] Bellona will make public the report which led to the espionage charges against Nikitin.

The environmental organization hopes that the report will attract so much interest that it will have an effect on the summit among the G-7 countries which will be taking place in the city at the same time. The theme of the summit will be nuclear safety.

The Russian security police has stated that six of the report's eight chapters contain secret information. Bellona claims that all the information in the report comes from open sources.

Russia: New Deputy Finance Minister Appointed

LD1204190296 Moscow INTERFAX in English 1519 GMT 12 Apr 96

[FBIS Transcribed Text] MOSCOW, April 12 (FIA-Interfax) — The Russian government appointed Gherman Kuznetsov as deputy finance minister Friday, a source in the Finance Ministry told Interfax's Financial Information Agency.

Prior to this appointment, Kuznetsov worked as a deputy minister for cooperation with the Commonwealth of Independent States, the source said.

Kuznetsov's scope of competence has not yet been determined, he said.

Kuznetsov was born in Ivanovo in 1948. He started his career as an electrician on the Odessa-Chisinau railway in 1966. After he graduated from the Krasnoyarsk Polytechnic University in 1976, he worked in various party posts.

Kuznetsov occupied senior executive posts in Kyrgyzstan from 1991 to 1993.

Military, Nuclear & Space Issues

Russia: Yeltsin Signs Edict on State Control of Defense Privatization

LD1304202596 Moscow ITAR-TASS in English 1952 GMT 13 Apr 96

[FBIS Transcribed Text] MOSCOW, April 13 (Itar-Tass) — Russian President Boris Yeltsin signed on Saturday a decree on measures to ensure the effectiveness of state control over the privatisation of defence enterprises and organisations, the presidential press service said.

The decree was signed for the purpose of ensuring effective state control over the change of forms of ownership in the process of privatisation of enterprises and preventing damage to the country's national security.

The president ordered the establishment of a federal commission to ensure control over the management and privatisation of defence facilities, enterprises and organisations. The commission will be headed by First Vice-Prime Minister Oleg Soskovets.

The government has been instructed to approve, within two months, lists of enterprises which cannot be privatised and joint stock companies in which the government will have controlling interests.

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Russia: Grachev Denies Giving Electioneering Aid to Communists

LD1204125696 Moscow ITAR-TASS in English 1241 GMT 12 Apr 96

[By Sergey Ostanin]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — Russian Defence Minister Pavel Grachev denied communists assistance in organising canvassing meetings with servicemen of military units and students of military schools, a well-informed source in the ministry told Tass on Friday.

According to the source, head of Gennadiy Zyuganov's election headquarters Valentin Kuptsov asked Grachev for providing assistance in communist electioneering. However, the minister denied him help.

Zyuganov had planned to meet students of Moscow and St. Petersburg military schools, as well as servicemen of military units deployed in Moscow, St. Petersburg, the Volga region and some other territories in April and May.

In their preparations for the June 16 presidential elections, the Russian military strictly follow Article 18 of the Defence Law which bans any political propaganda, including electioneering, from the barracks.

Officials at the ministry consider it inopportune to stage meetings between presidential candidates and servicemen or students of military schools, the source said.

If a meeting of this kind set a precedent, all registered groups of support would demand the same, the source said.

At the same time, servicemen and military students are allowed to attend pre-election meetings when they are off duty.

On Monday, Russia's Chief of Staff, General Mikhail Kolesnikov, issued an instruction restricting visits by politicians to military units.

Commanders of military districts were informed that in conformity with Article 18 of the Defence Law, all kinds of propaganda, including electioneering, are banned from the units of the Russian Army and Navy.

The instruction also called on servicemen to study the federal election law and regulations.

Kolesnikov was forced to issue the instruction due to the fact that Russian legislators of all levels are constantly applying to commanders of garrisons for permission to speak to servicemen.

Some candidates' campaign officials are the most irritating visitors to garrison commanders. Calling themselves representatives of "Russia's future president," they demand a room for canvassing soldiers and officers for their hopefuls.

Russia: Black Sea Fleet Starts Exercises From Sevastopol

LD1404141196 Moscow NTV in Russian 1800 GMT 13 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] Ships of the Black Sea Fleet are carrying out major maneuvers. Fleet commander Admiral Viktor Kravchenko says that from next year the fleet will start getting new types of ships and aircraft from Russia.

[Correspondent] Russia's Black Sea fleet has sent 46 ships to sea to hold joint exercises with the Air Force, the Marines, and coastal troop subunits. In recent years, the inhabitants of Sevastopol have become unaccustomed to seeing warships sailing out of the port past the monument to sunken ships. The painful and as yet unfinished process of dividing up the fleet between Ukraine and Russia, which is being played out against the background of savage cuts in financing, means that officers and seamen have had to work on improving their skills in the art of conducting naval battles on vessels moored, rusting, at the quayside. There has been no fuel to put to sea. But according to fleet commander Admiral Viktor Kravchenko, the situation has started gradually to change for the better.

[begin Admiral Kravchenko recording] Our main objective is not to get a particularly excellent or good mark. The main thing is that the ships and personnel put to sea, and that the flag should be prominently flown here in the Black Sea. [end recording]

[Correspondent] The ships did not simply put to sea, but successfully carried out complex artillery exercises, destroyed floating mines, and used on-board missile complexes to repulse raids by "enemy" aircraft. They also fought against submarines, using torpedoes, depth charges, and special cruise missiles which fly toward the vessel and drop torpedoes in the direct vicinity of the target. [video shows officer in control room giving commands]

The Ukrainian side was given due notification of the Russian squadron's training exercise. Representatives of the Ukrainian Air Force and Air Defense observed the exercises from on board the flagship Kerch. According to the commander, no joint exercises with the Ukrainian

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naval forces in the Black Sea are planned this year, but the admiral thinks that such interaction is possible.

The Black Sea fleet exercises are continuing. They are scheduled to end on 19 April, with the landing of 1,500 marines.

For the Russian fleet in Crimea today, however, these exercises are perhaps more important from the political point of view than the purely military.

Aleksey Pobortsev, Maksim Shchenkov and Yevgeniy Poloyko, NTV Television, from Sevastopol.

Russia: Black Sea Fleet Commander Assesses Exercise

LD1304154896 Moscow ITAR-TASS World Service in Russian 0903 GMT 13 Apr 9

[By ITAR-TASS correspondent Boris Kipkeyev]

[FBIS Translated Text] Moscow, 13 Apr (Itar-Tass) — Practice in destroying a cruise missile launched by a notional enemy was on Friday one of the elements in the Russian Black Sea Fleet's large-scale exercises, which are continuing for a fourth day in the Black Sea.

The ITAR-TASS correspondent was informed by telephone by the Black Sea press center that there are about 50 warships and auxiliary vessels at sea at present under the flag of Admiral Viktor Kravchenko, the Black Sea Fleet commander. The 10-day exercises that are being held within the framework of the final stage of the winter training period involve the fleet's air forces and coastal defense subunits.

On Friday, the Black Sea press center stated, the patrol ship Ladnyy in conjunction with the fleet's flagship, the large anti-submarine ship Kerch, performed exercises in the destruction of a cruise missile launched by a notional enemy. On the same day, the Ladnyy performed joint maneuvers with a submarine and landing ships.

During the exercises, Black Sea Fleet ships will also make torpedo attacks on the notional enemy's ships and practise the elements of performing a sea landing on an austere coast, using large landing ships.

In the Fleet Command's assessment, the Black Sea Fleet press center stated, "the present exercises, despite the complex political situation, the insufficient funding, and painful division of the Fleet, will be the main indicator of the combat readiness and viability of the fleet, especially of its combat nucleus."

Russia: Yeltsin Receives Nuclear Power Engineering Minister

LD1304124796 Moscow ITAR-TASS in English 1240 GMT 13 Apr 96

[FBIS Transcribed Text] MOSCOW, April 13 (Itar-Tass) — President Boris Yeltsin held several working meetings on Saturday, including the one with Nuclear Power Engineering Minister Viktor Mikhaylov.

Considerable time was devoted to preparations for the coming G-8 summit to be held in Moscow late next week on nuclear security and bilateral meetings, the Russian president's press service told Itar-Tass today.

According to the press service, the president and the nuclear power engineering minister gave special attention at their meeting to nuclear energy security and nuclear non-proliferation.

The two statesmen "also discussed the nuclear aspect of the problem of NATO's expansion to the East", the press service said.

The press service said that Yeltsin and Mikhaylov paid much attention to illegal trafficking of nuclear materials and to measures on organising a drive against this trafficking. They also thoroughly discussed utilisation of nuclear materials, including uranium and plutonium.

Russia: Atomic Energy Official Denies Theft of Nuclear Materials

LD1104145996 Moscow INTERFAX in English 1207 GMT 11 Apr 96

[FBIS Transcribed Text] MOSCOW, April 11 (Interfax) — First Deputy Minister for Atomic Energy Lev Ryabev Thursday denied any incident of theft or shortage of weapons-grade nuclear materials ever in the history of Russia's development of its own atomic industry and nuclear power plants.

There were several incidents of irregularities at nuclear research centers handling nuclear materials and occasionally, small amounts of enriched uranium and plutonium, he said. As an example, Ryabev named the scientific-production facility Luch at Podolsk and the Institute for Physics and Energy at Obninsk, both of them in the Moscow region.

He called for security controls to be tightened over the storage of nuclear materials, taking account of the slackening of discipline among those responsible for inventory-taking in recent years.

Ryabev said the main focus will be made on better controlling equipment, including gauges which can tell the difference between plutonium-239 and uranium-238.

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New systems are being developed together with Western countries that may be installed at defense-related nuclear centers after undergoing tests at civilian facilities, he said.

More importantly, he said, security will be tightened around nuclear installations in the next few years.

Ryabev said none of the nuclear scientists working in the defense industry left to work abroad permanently after the break-up of the former Soviet Union. He said individuals whose work is linked to defense-related nuclear technologies cannot travel abroad unless permitted to do so by the Atomic Energy Ministry.

Russia: Yeltsin Promises State Aid, Gains Space Industry's Backing

MM1504102996 Moscow TRUD in Russian 13 Apr 96 pp 1, 2

[Report by Gennadiy Yastrebtsov: "Boris Yeltsin Goes Into Space. Rumors of Decline in Russian Missile-Space Industry Proved Somewhat Exaggerated"]

[FBIS Translated Text] Khimki, Moscow Oblast — Leaders of Russia's major defense industry enterprises involved in the "KOMPOMASH" Corporation gathered in Moscow Oblast's Khimki not just to join in celebrating the traditional Space Exploration Day. The "Energomash" Science and Production Association named for Academician V. Glushko, leader of the national missile-space industry, is located here. It was certainly no coincidence that this was chosen as the venue for Boris Yeltsin's latest working visit. The meeting with the president promised to be substantive.

The "Energomash" Science and Production Association has developed engines for all our launchers, starting with Yuriy Gagarin's flight and ending with "Proton," "Energiya," and "Buran." This January this association confidently won a tender to supply Russian RD-180 liquid-fuel engines for U.S. present and future commercial launchers (the contracts are worth a total of about $1 billion).

When talking to "Energomash" workers and specialists, Boris Yeltsin stressed that, thanks to their efforts, national missile-space technology is now amongst the most advanced in the world in terms of its scientific and technical level. "You have unique output here, engines of which the Americans cannot yet dream and will not be able to do so for another 15 years," the president said.

Our task, the president insistently stressed, is to preserve our positions in this sector and protect scientific and industrial potential in order to ensure that Russia remains a leading missile-space power in the future. "You will always meet with my support in this. I flatly disagree with those who think that the defense industry poses some kind of burden for our economy. On the contrary, the military-industrial complex is in many regards the basis for the technological modernization of all Russian industry and thus for raising the population's living standard and turning Russia into a world market leader."

During a conversation in the assembly shop, workers, engineers, and designers told the president about their difficulties: State orders are being cut back, payment for deliveries is being held up, mutual payment arrears are stifling, prices of energy sources are rising, and working capital is in short supply. It is extremely hard to cope with all this without state support.

After his meeting with leaders of the missile-space enterprises, the president instructed First Vice Premier Oleg Soskovets and Andrey Koptev, general director of the Russian Space Agency, to formulate a draft edict on exempting international space programs from customs and export duties. The government has found 2 trillion rubles in extrabudgetary funding for the complex.

In turn all 16 leaders of the "KOMPOMASH" Corporation's defense industry enterprises signed a joint statement of support for Boris Yeltsin in the upcoming presidential elections. This document says in particular: "In the current conditions we consider a change of power not just inadvisable but also dangerous."

Thus Boris Yeltsin's foray into space ahead of the elections proved fairly striking and effective for both "sides."

Federal Assembly

Russia: Duma Overrides Presidential Veto

LD1204130896 Moscow ITAR-TASS in English 1300 GMT 12 Apr 96

[By ITAR-TASS correspondent Igor Zhukov]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — The State Duma on Friday voted for overriding the presidential veto on the federal law on the basic principles of the municipal service in the Russian Federation.

Deputies went along with the opinion of the State Duma Committee on local self-government that it is necessary to override the presidential veto. As many as 315 MPs voted for this decision.

Federal law stipulate legal grounds for organising the municipal service in Russia in accordance with which subjects of the Russian Federation should adopt their laws on the municipal service.

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The given law regulates rights, obligations and responsibility of municipal employees, gives guarantees to them and contains norms envisaging the possibility of regulating these matters by rules of municipal formations in accordance with laws of subjects of the Russian Federation.

Regarding financing the municipal service, the document specifies only the provisions of the law on general principles of the organisation of local self-government.

Those who compiled the law hope that it will also be endorsed by members of the Federation Council which, in their opinion, will help them resolve all the matters connected with the basic principles of the municipal service in Russia.

Russia: Duma Ratifies Agreements On Strategic Interests

LD1204161796 Moscow ITAR-TASS in English 1257 GMT 12 Apr 96

[By Natalia Panshina]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — The State Duma ratified on Friday the agreement on the procedure of completing the construction, on use and maintenance of Baranovichi junction of the system of missile attack warning, as well as a similar agreement on the procedure of the use and maintenance of Vileika radio station.

These documents were worked out to extend the Russian-Belarusian inter-government agreement on the status of Russian military units within the composition of strategic forces temporarily station in the territory of Belarus. The documents were signed in Minsk on January 6, 1995.

Both of these agreements are aimed at ensuring Russia's strategic interests. However, neither Vileika radio station nor Baranovichi junction will have the status of a Russian military base.

Russia: Plan Would Give Federation Council Much More Economic Clout

MM1204155396 Moscow TRUD-7 in Russian 12-18 Apr 96 p 2

[Report by political observer Yuriy Lepskiy under the "On the Budget" rubric: "Money for the Upper Chamber"]

[FBIS Translated Text] The Federation Council listened to Finance Minister Vladimir Panskov Wednesday. There were no sensations or scandals. The minister delivered a quite detailed report on the implementation of this year's budget, and the senators pestered the minister with hair-splitting questions. It would hardly be worth writing about this but for one circumstance: It seemed to me that the Federation Council had for the first time made better and more thorough preparations for the hearings than the ministry had. In any case, the heads of administrations and legislative assemblies met the capital's minister when they already had some kind of plan concerning not only the implementation of the 1996 budget but also the transformation of Russia's budgetary policy for the immediate future. I do not know whether the ministry knows of this plan's existence, but TRUD has gotten an opportunity to familiarize readers with the main provisions of the Russian Senate's budgetary strategy for the immediate historical future.

So, first, the Federation Council intends in the immediate future to "enshrine in legislation the mechanisms of unified control not only over the movement of budgetary flows but also over the organization of relations among banks, taxpayers, and recipients of budgetary funds." Drafts for "legislative enshrinement" are already being prepared. They will be named: "On the Budget Process and Budget System of the Russian Federation"; "On the Federal Treasury"; and "On State Financial Control." You have probably already guessed whom these laws will endow with exclusive rights to shape the state's financial base and to control the direction of Russia's monetary rivers. Correct — the Federation Council.

To carry out this idea, Russian senators are introducing a parliamentary expert appraisal of the government's expenditure programs. Moreover, they intend to set up deep within their own apparatus some kind of budget administration, which will "independently elaborate versions of the budget and analyze government proposals and the course of budget implementation, independently of information and analysis by the Ministry of Finance." The budget administration is also responsible for "changing the movement of financial flows, redistributing them, and changing the financial potential of individual regions."

It is also planned to set up another new organ — the Coordinating Council for Budget Regulation. It will engage in the painstaking work of slicing the budget pie in accordance with the requirements and ambitions of Russia's regions.

What is the point of this? At present it is clear that parliament's upper chamber plainly wishes to reconsider its role in the structure of Russian power and is planning to become upper not only in words but also in deeds. It is also clear that today precisely Russian senators are already starting, in accordance with these ideas about their own role, to actively dig a channel for the financial river which will flow over the threshold of the 21st

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century. But even if you do not look so far into the future, you can see something no less interesting and instructive: The Federation Council is trying to take on the functions of rigid, centralized financial management, probably leaving strictly economic methods to the government, including tax regulation. It is not hard to guess that you and I are observing a well-organized "sowing of the political and economic field" and that we will reap the harvest in 1997. As distinct from the result of the presidential election, the prospects for this harvest are predictable....

Regional Affairs

Russia: Yeltsin, Kabardino-Balkar President Discuss Chechnya Settlement

LD1304133296 Moscow ITAR-TASS in English 1314 GMT 13 Apr 96

[FBIS Transcribed Text] MOSCOW, April 13 (Itar-Tass) — Russian President Boris Yeltsin met Kabardino-Balkar President Valeriy Kokov on Saturday to discuss the settlement of the conflict in Chechnya, the Kremlin press service said.

The two leaders also discussed the social and economic situation in Kabardino-Balkaria, Russia's constituent republic in the North Caucasus, and "paid a good deal of attention to the rational use of mountainous resorts," the press service said.

Russia: Tatar President's Envoy Fails To Meet With Dudayev

LD1204202096 Moscow NTV in Russian 1800 GMT 12 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] Reports of more and more deaths are coming from Chechnya, yet the negotiations that could lead to an end of the chaos and violence are for the moment treading water. The Tatarstan president's representative, Rafael Khakimov, who has been in Chechnya for five days, was unable to meet Dudayev in person. And as yet, Dudayev's well-known announcement of his readiness to hold direct negotiations on a peaceful settlement is known only through journalists. The Tatarstan representative flew into Moscow today. Our film crew was there to meet him.

[begin recording] [Unidentified correspondent, over video of airport tarmac, interview] The main aim of Rafael Khakimov's trip to Chechnya was to establish direct contacts between Tatarstan President Mintimer Shaymiyev and Dzhokhar Dudayev. However, he was only partially successful.

[Khakimov] I was unable to reach Dzhokhar Dudayev in person. There is such intensive fighting going on there that we were unable to get through and cross a pass, too. Nevertheless, there were people from him there, and we had pretty lengthy talks and sorted out all possible contacts for the future.

[Correspondent] In the view of the emissary from Kazan, negotiations between Moscow and the Chechen fighters will not be simple, in any event, but one should not give way to pessimism.

[Khakimov] Their position is pretty tough, and it should be said that it will not be easy to soften that position. Nevertheless, I think there are options for establishing direct contacts between Dudayev and Yeltsin, with Shaymiyev's help.

[Correspondent] However, to judge by all events, Moscow will find it hard to reach an agreement with the fighters. Vagip Tutakov, representative of Dudayev's parliament, who helped Khakimov during the latter's trip, considers that only the full withdrawal from Chechnya of the Russian troops can open the path to negotiations.

[Tutakov, also interviewed at airport] If we really want to establish peace and reach accord, we have to withdraw the troops, and only after that sit down at the negotiating table. We have said this repeatedly, and this is our fundamental position, from which we will under no circumstances budge.

[Correspondent] Shaymiyev's envoy plans to have a meeting very soon with Vyacheslav Mikhaylov, minister for affairs of nationalities and regional policy, and Yeltsin advisor Emil Pain to discuss a number of delicate aspects relating to his mission. [end recording]

Russia: Tatar Official Discusses Plans for Chechen Talks

LD1304162396 Moscow INFORMAT SIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1505 GMT 13 Apr 96

[FBIS Translated Text] "The main task of the contact group is to try and organize a meeting between [Dzhokhar] Dudayev and [Tatarstan President Mintimir] Shaymiyev, as an interim meeting in preparation for a meeting between Dudayev and Yeltsin," Rafael Khakimov, advisor to the president of Tatarstan, emphasized in an interview to Ekho Moskvy radio station. He was explaining the aim of setting up a so-called "contact group", together with Dudayev's representative Vagap Tutakov.

Khakimov said that at present, in light of a possible meeting between Dudayev and Shaymiyev, there are

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difficulties because of the tough position adopted by Dudayev and his associates, and, correspondingly, because of Yeltsin's no less tough position on many issues. "But there is a common area of interest which we are now trying to expand, and we are trying to define an agenda," Khakimov said.

According to Khakimov, the demands being put forward by the Dudayev side, including by President Dudayev's foreign policy aide and the advisor to the parliamentary speaker, who are authorized to conduct negotiations, include, first and foremost, the withdrawal of troops, as a preliminary condition for negotiations; and also the dismissal of those to blame for the war, namely [Oleg] Lobov, [Nikolay] Yegorov, [Pavel] Grachev and [Anatoliy] Kulikov. "These conditions are put to Yeltsin as the head of state, but he is at the same time the supreme commander and, in this capacity, he can meet Dudayev without any conditions," Khakimov commented.

In Khakimov's view, the involvement of Tatar President Mintimir Shaymiyev could alleviate the situation. "In principle, they agree to talk to Shaymiyev, although tough conditions were imposed upon him, too, regarding what guarantees he could give that the Russian side would fulfill accords," the advisor to the president of Tatarstan stressed.

Russia: Shaymiyev Aide Says Dudayev in Control of Chechen Situation

LD1404151196 Moscow INTERFAX in English 1400 GMT 14 Apr 96

[FBIS Transcribed Text] MOSCOW, April 14 (Interfax) — Chechen separatist leader Dzhokhar Dudayev has control of the situation in Chechnya, says Rafail Khakimov, an advisor of the president of the internal Russian republic of Tatarstan.

Dudayev's armed formations are moving across Chechnya freely, Khakimov told Interfax Sunday.

Khakimov returned from the breakaway internal Russian republic a few days ago. He went to Chechnya to establish direct contacts with Dudayev within the scope of long-awaited talks between the Russian authorities and the Chechen separatist leader. President of Tatarstan Mintimer Shaymiyev will mediate between the conflicting parties.

However, the meeting between Khakimov and Dudayev failed to take place "for merely technical reasons," Khakimov said. He said he had only reached the Vedeno region in southern Chechnya when Russian federal troops "began massive artillery attacks there." "There was no possibility of moving forward, and we decided to turn back," Khakimov said.

Khakimov said his security was ensured by Dudayev's personal bodyguards who accompanied him during the trip. "I went all along the front line, and I can say as an eye-witness that Dudayev fully controls the situation. He has mobile military structures with tough discipline. This is a real army with high moral rather than 'bandit formations,'" Khakimov said.

Dudayev's supporters are moving freely across the entire Chechen territory unlike Russian federal troops which are moving only across the areas of which they have control, Khakimov said.

Regarding the Russian army, Khakimov said that it was "totally demoralized."

Khakimov said he had met with the ministers of Dudayev's government, field commanders and representatives of the pro- Dudayev parliament of the Chechen Republic Ichkeria. "I drew a decisive conclusion that federal troops have lost this war no matter what the military command claims. This is absolutely obvious for me," he said.

"Popular war is under way in Chechnya. We moved through the villages which have signed the peace accords [with federal troops and the Moscow-backed Chechen authorities]. Dudayev's headquarters and units are safely based there. Villagers themselves have fully supported them and supplied them with food," Khakimov said.

Khakimov met with Russian Minister for Nationalities Vyacheslav Mikhaylov and Presidential Council member Emil Payin on his arrival in Moscow on April 13. "I told them about everything I saw," he said.

Russia: Kazakh President Consents To Act as Mediator With Dudayev

LD1204145196 Moscow ITAR-TASS in English 1441 GMT 12 Apr 96

[By Vladimir Akimov]

[FBIS Transcribed Text] Almaty, April 12 (Itar-Tass) — Kazakh President Nursultan Nazarbayev confirmed on Friday that he in principle had given his consent to the Russian leadership to act as an intermediary at the talks between Moscow and the Dudayev side.

Answering questions of reporters after his meeting with former U.S. Secretary of State James Baker the Kazakhstan president said that he "is ready to perform the mission anywhere and any time."

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At the same time, Nazarbayev said that he had not yet been given any specific proposals to join in the dialogue.

Russia: Maskhadov Says Dudayev Is 'Ready for Talks'

LD1404183896 Moscow NTV in Russian 1700 GMT 14 Apr 96

[From the "Itogi" newscast presented by Yevgeniy Kiselev]

[FBIS Translated Text] It seems that the Dudayev side is ready for talks. In any event, Aslan Maskhadov, chief of staff of [Dzhokhar] Dudayev's formations, said this in an interview with Radio Liberty correspondent Andrey Bobitskiy. Incidentally, this interview was recorded after reports in the press that Maskhadov was seriously wounded as a result of an assassination attempt at a 9 April rally in the settlement of Tsotsin-Yurt.

[begin recording] [Bobitskiy] Aslan, two weeks have passed since the decree signed by [President Boris] Yeltsin on ending military action in Chechnya. What is the situation on the fronts today?

[Aslan Maskhadov] The decree by the president has not been implemented in practice. I don't know what the reason for this is. There are probably real forces, I say this again, which really do need to show to the entire world who is in charge here, whose orders are being carried out, and why they are being carried out. That is also a kind of preelection game. It is maybe even being played by the Communists to show the bankruptcy of presidential power, that decrees are not being carried out, and so on and so forth.

That decree is not being carried out in practice today. Throughout the entire territory of Chechnya, that is, large-scale military actions, large-scale troop operations are continuing in the districts of Goyskoye, Dargo, Vedeno, and Bamut with the use of aviation, artillery, Grad and Uragan systems, tanks, motorized rifle troops, and so on and so forth. Combat operations continued last night [11th-12th April], too and yesterday [11th April] aviation carried out a bombing raid on the Goyskoye District. That is what the situation is. The war is continuing.

[Bobitskiy] Aslan, Vyacheslav Mikhaylov, minister for nationalities affairs, said in a recent interview that you agreed to the resumption of action by the former joint supervisory commission. Is that so?

[Aslan Maskhadov] I said that I was not the only one who might say that and not the only person who really wants there an end to war on the territory of Chechnya. The main hope for putting an end to this war was when Yeltsin said there would be talks with Dudayev, even via intermediaries. That is the most realistic chance for putting an end to that war. I say again today and I said before that the document signed by the two government delegations with the assistance of the OSCE [Organization for Security and Coopertion in Europe], that is, practically, the military agreements which were signed, this document could have ended the war a long time ago. That document was a real document. Practically both sides, the Russian side and the Chechen side, could have saved face and an end could have been put to that war. [end recording]

Russia: Maskhadov Supports Mikhaylov Proposal for Military Accord

LD1504054496 Moscow Radiostantsiya Ekho Moskvy in Russian 0300 GMT 15 Apr 96

[FBIS Translated Excerpt] [passage omitted] Aslan Maskhadov, chief of staff of the Chechen formations, has told an NTV correspondent, however, that federal forces are continuing large-scale operations near the settlements of Dargo, Goyskoye, Vedeno, and Bamut with the use of artillery, aviation, and tanks. Maskhadov drew attention to the fact that the presidential decree on the peace settlement in Chechnya is not being implemented. By the way, in an interview with the same television channel, General Tikhomirov has said that preference should be given to offensive operations, and not peace talks.

Maskhadov gave the understanding that he supports the proposal by the Russian Minister for Nationalities Affairs Vyacheslav Mikhaylov to resume the activities of the special supervisory commission for implementing a military accord. According to Maskhadov, the military accord signed last summer is a real document which could have ended the war between the Russian and Chechen sides and saved face.

Russia: Chechen Parliament Fails To Adopt Election Law

LD1304192696 Moscow ITAR-TASS in English 1857 GMT 13 Apr 96

[By Mikhail Shevtsov]

[FBIS Transcribed Text] GROZNYY, April 13 (Itar-Tass) — The Chechen parliament failed on Saturday to adopt a law on legislative elections in the republic.

Sixty two out of 119 parliament members voted to submit three proposed versions of the law to a nationwide referendum.

The first draft establishes a one-chamber parliament. The second suggests a two house legislature modeled on

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Russia's Federal Assembly, while the third draft calls for a parliamentary structure of power in Chechnya.

The majority of speakers, including Chechen leader Doku Zavgayev, supported the second option.

In his speech, Zavgayev stressed that Chechnya should have special status of a member of the Federation "within the constitutional field of Russia" which is based on the principle of separation of power.

He noted that all decisions concerning parliamentary elections should conform to the Russian Constitution which provides for the executive, legislative and judicial branches of government to operate on the entire territory of the country, including Chechnya.

"If we do not want a new tragedy, we must understand that the Chechen republic was and will remain in Russia," he said.

He believes that no civic accord can be reached in Chechnya without a diverse parliament. "The republic was and should remain a multinational one," he added.

Zavgayev pointed out that the parliament should be elected every two years during the transitional period.

Many speakers opposed the idea of holding parliamentary elections in Chechnya simultaneously with the presidential elections in Russia. They noted that parliamentary elections cannot be held in Chechnya before the end of talks between Moscow and Chechen separatist leader Dzhokhar Dudayev.

Chechen lawmakers blasted federal forces which, they claimed, "obey neither Russian laws nor international human rights norms."

Russia: Chechen Parliament Favors Referendum on Election Law

LD1404052996 Moscow Mayak Radio Network in Russian 0200 GMT 14 Apr 96

[FBIS Translated Text] The Chechen Supreme Soviet has taken a decision at its session in Groznyy to submit three draft laws on elections to the republican parliament for consideration by a nationwide referendum. Views of various walks of society would then be generalized.

Russia: Chechen Parliament Session Approves New Prime Minister

LD1304101596 Moscow ITAR-TASS World Service in Russian 0940 GMT 13 Apr 96

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Groznyy, 13 Apr (Itar-Tass) — At the proposal of Doku Zavgayev, head of the Chechen Republic, Lieutenant General Nikolay Koshman has been approved as chairman of the Government of Chechnya at the session of the Supreme Council of Chechnya taking place in Groznyy.

According to Zavgayev, "this appointment is aimed at strengthening executive power" and takes into account the republic's multinational make-up." Until now, only Chechens were members of the government.

Until recently, Nikolay Koshman was deputy commander of the Russian railway troops and in Chechnya, he was in charge of work on restoring railways and was one of the advisors to Oleg Lobov, the Russian president's envoy.

To date, Doku Zavgayev has combined the posts of head of the Chechen Republic and prime minister.

Russia: Grachev, Others Comment on Withdrawal From Chechnya

MM1504091396 Moscow ROSSIYSKIYE VESTI Saturday Edition in Russian 13 Apr 96 p 3

[Roundup prepared by Pavel Anokhin: "Troops' Withdrawal From Chechnya Does Not Mean Their Departure"]

[FBIS Translated Text] The cessation of troop operations on Chechen territory announced by Russian President Boris Yeltsin, along with the phased withdrawal of the federal forces to the republic's administrative borders, has elicited a variety of reactions within Russian society. Some people even think that the "truce will enable the Dudayevites to build up their forces." Today we give the floor to people who are well-acquainted with the situation in Chechnya in the course of their work.

Vyacheslav Mikhaylov, Russian Federation minister for nationalities affairs and federal relations:

The Russian president's statement entails the cessation of large-scale troop operations. No one has canceled anti-terrorist actions in Chechnya like anywhere else in Russia. And those who refuse to lay down their weapons and do not want a peaceful life will be dealt with appropriately. The president's plan opens the way to peace. The phased withdrawal of the federal forces implies their moving out of areas where peace has been secured and being subsequently deployed in accordance with the plan.

Moreover, one should not present the situation as if we are fighting on the whole front. The bulk of the republic's territory is now at peace. [Mikhaylov ends]

Russian Defense Minister Army General Pavel Grachev:

We fully support the president's proposals to establish peace in Chechnya. It is not the military's job to discuss

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orders. Our job is to carry them out. As for specific measures, the troops have so far stayed in the positions that they were holding 1 April. They have been given the command to group in certain base areas in order to be subsequently taken to their permanent basing areas where they are to be stationed in accordance with the plans. The development of the situation will depend entirely on how the other side behaves. Wherever there is shelling we will meet fire with fire. Subsequently, in accordance with the edict, we will only conduct special selective operations against those bandit formations that fail to obey the president's edict. But we will not be conducting any combined-arms operations unless there is another edict and the situation changes. [Grachev ends]

Doku Zavgayev, head of the Chechen Republic and member of the Federation Council:

The troops' withdrawal does not assume the weakening of authority and the destabilization of the situation in the republic. The troops will be withdrawn in stages and only from areas where stability has been secured and an authority established that is capable of defending the rights of every inhabitant of the specific area or population center. The situation will not be allowed to get out of control and there will be no repeat of last summer when the Dudayevites regrouped their forces and upgraded their arms under cover of the peace talks. The people of the Chechen Republic are unified in their realization of the need to unite around the idea of peace and mutual understanding. [Zavgayev ends]

Nikolay Fedosov, Russian Government official representative in Groznyy:

In accordance with the plan of action approved by the Chechen leadership it is planned to complete the disarmament of the bandit formations by the middle of May. Currently the areas where they are concentrated are under blockade by the federal forces, which are not conducting wide-ranging operations in accordance with the president's edict.

At the same time the federal troops are prepared for tough appropriate action against the so-called hard-liners. No one will allow a repeat of last summer's mistakes.

It is planned to carry out the federal troop withdrawal from Chechnya in two stages. The intention is that Defense Ministry units will be permanently based in the Groznyy and Shali area and Russian Federation Ministry of Internal Affairs Internal Troop subunits in the area of the Chechen capital, Gudermes, and Urus-Martan. [Fedosov ends]

Lieutenant General Vyacheslav Tikhomirov, commander of the combined group of federal forces:

The fight against terrorists and bandits on Chechen territory will continue constantly, without a break. Special operations against illegal armed formations will be conducted until at least the middle of May. By that time it is planned to have completed the signing of agreements on peace and accord in the republic, on which the schedule for the federal troops' withdrawal from Chechnya will depend.

However, in April and May it is planned to withdraw the troops (apart from those which will remain permanently in Chechnya) from Shelkovskiy, Nadterechnyy, and Naurskiy Rayons. During the period May-July it is planned to withdraw troops from other areas of the republic to temporary bases on Chechnya's administrative borders with Ingushetia, Stavropol Kray, and Dagestan. They may be moved to their permanent bases by this November should events develop favorably. Where necessary the federal troops can be brought back to Chechnya from their temporary bases on its administrative borders.

The Defense Ministry's 205th Brigade and the Russian Ministry of Internal Affairs Internal Troops 201st Brigade will stay in Chechnya permanently. The Defense Ministry brigade will be stationed near Groznyy's "Severnyy" Airport and in Khankala and Shali, while the Internal Troop brigade will be based in Groznyy, Gudermes, Urus-Martan, and the population centers of Shelkovskaya, Kalinovskaya, and Chervlennaya.

Russia: Stavropol Leader Marchenko Details Chechnya Pullout

LD1504062496 Moscow Mayak Radio Network in Russian 0530 GMT 15 Apr 96

[FBIS Translated Text] Here is a report over the telephone by our North Caucasus correspondent Pavel Guskov.

[Guskov] Good morning. It looks like the first military units will reach Chechnya's borders, the administrative border between Chechnya and Stavropol Territory, by the end of the day. I have learned this from a reliable source in circles close to the Defense Ministry in Groznyy.

Speaking of the decision on the withdrawal of troops, Petr Marchenko, head of administration of Stavropol Territory and a member of the government commission for settling the conflict in Chechnya, told me this morning that this program envisages the pull-out of federal troops from practically all the districts on the Chechnya plains, including also Groznyy. The majority

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of troops will move toward Ingushetia and Dagestan and one brigade will move toward Stavropol Territory.

In an interview with me this morning, Marchenko said that all steps have been taken to provide for the needs of our soldiers and officers and we will be glad to create all the necessary conditions. He said this action will make it possible to move toward a peace settlement and is of special significance in view of Russian President Boris Yeltsin's visit to the Caucasus, which begins today. He is planning to visit the town of Budennovsk in particular.

Russia: Tikhomirov Details Three Stages of Withdrawal From Chechnya

LD1404100996 Moscow ITAR-TASS in English 0928 GMT 14 Apr 96

[By Boris Kipkeyev]

[FBIS Transcribed Text] MOSCOW, April 14 (Itar-Tass) — Federal troops will start withdrawing to the administrative borders of the Chechen Republic from April 15, Itar-Tass learnt on Sunday from Lieutenant-General Vyacheslav Tikhomirov, commander of united federal forces in Chechnya.

He noted that the pullout would be made in three stages according to a drafted plan.

The first stage will include April-May. It is planned to withdraw troops from the most quiet Chechen districts to the borders with Ingushetia and Dagestan.

The second stage is longer: it will include June-October. Troops will be brought to places of permanent deployment during the third stage. The duration of the final stage will depend on a specific situation in the republic.

In the meantime, all attempts by representatives from federal forces in Chechnya to find a compromise with rebels in the Chechen village of Goyskoye on Saturday and Sunday morning proved futile.

Itar-Tass learnt from a Defence Ministry representative that gunmen responded with fire from trench mortars, grenade launchers and firearms to all proposals to surrender weapons and to leave the village. Federal troops returned fire to hit in each case of firing on their positions.

According to information from the Defence Ministry, illegal armed detachments continued firing on positions of federal troops over the past 24 hours as well as on check points of federal troops in Groznyy, near the villages of Tsa-Vedeno, Orekhovo and Staryy Achkhoy.

Positions of federal troops were fired on 11 times, including three times in Groznyy.

Russia: Chechnya's Basayev Threatens Attacks on Nuclear Plants

AU1204141696 Hamburg DIE WOCHE in German 12 Apr 96 p 27

[Interview with Chechen rebel leader Shamil Basayev by Andrzey Rybak; place and date not given: "Terrorism in the Whole of Russia"]

[FBIS Translated Text] [Rybak] What do you think of Yeltsin's peace proposals?

[Basayev] Pure cynicism. He only wants to "freeze" the war until the presidential elections.

[Rybak] Do you basically reject negotiations with Russia?

[Basayev] I have always been in favor of negotiations. But we do not permit anyone to blackmail us. There is a condition for peace: the complete withdrawal of the Russian Army.

[Rybak] And if the Russians do not accept that?

[Basayev] Then we will fight — with all means. We can cover the whole of Russia with terrorism and blow up a nuclear power plant. We will not consider public opinion. We were not the ones who started terrorism. Or is it not terrorism when Russian fighter bombers bomb peaceful villages?

[Rybak] But you cannot win...

[Basayev] Nevertheless, we must put up resistance. I do not want my people to be driven again into wagons and to be deported to Siberia as under Stalin.

[Rybak] Elections are near in Russia. Whom would you like to become president?

[Basayev] We might perhaps belong to the Russian Federation if Gorbachev or Yavlinskiy were the president. But we do not want to interfere in the internal affairs of a foreign state. We have our own president: Dzhokhar Dudayev.

Russia: Regional Prosecutor Kidnapped in Chechnya

LD1504111496 Moscow INTERFAX in English 0921 GMT 15 Apr 96

[FBIS Transcribed Text] GROZNYY, April 15 (Interfax) — The prosecutor of the Naur region in Chechnya has been kidnapped, Chechen Deputy Interior Minister Yuriy Plugin told Interfax Monday.

Besides, a group of 20-30 gunmen blocked the Naur interior department Monday morning and demanded the

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release of several local residents detained by the police Sunday.

Plugin said police reinforcements were sent to the region to restore order.

He did not rule out the possibility of large-scale provocations by militants in Groznyy in the next few days. "We have information to this end and are taking steps to prevent provocative actions," Plugin said.

Russia: Dudayev Spokesman Claims Federal Troops Using Chemical Weapons

LD1304152896 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1500 GMT 13 Apr 96

[FBIS Translated Excerpt] "The main task of the Contact Group is to remove all obstacles to starting the peace process," Vagap Tutakov, Dzhokhar Dudayev's representative, said in an interview to Ekho Moskvy radio station. Tutakov accompanied Rafael Khakimov, advisor to the president of Tatarstan, to Chechnya and is also a member of the joint "Contact Group". [passage omitted]

Touching on the situation in Chechnya, Tutakov reported that intensive fighting is under way along the entire front line. "The special operations proclaimed by Yeltsin and the federal command include bombardments and artillery shelling, and also the use of certain types of weapons which have not so far been used, namely weapons containing chemical elements," Dudayev's representative, who has only recently returned from Chechnya, declared.

According to Tutakov, there are more than a thousand bodies of Russian soldiers still lying in the streets of the village of Goyskoye.

Russia: Yeltsin's Security Aide Baturin Visits Chechnya

LD1504081996 Moscow Russian Television Network in Russian 0700 GMT 15 Apr 96

[A. Sladkov video report; from the "Vesti" newscast]

[FBIS Translated Text] Yuriy Baturin, who advises President Yeltsin on national security issues and is a member of the Chechnya peace settlement commission, arrived in the Chechen Republic yesterday evening. He is accompanied by the commission's executive secretary Sergey Stepashin.

Baturin has already been to military bases at Khankala and Severnyy. Today, the commission members intend to meet officers and soldiers at units on the frontline. Yuriy Baturin has said he is willing to meet the residents of some Chechen villages. His itinerary contains no mention of a meeting with Dudayev's side.

The commission members say their visit is connected with something else as well. Today, the first several military units are to pull out of Chechnya. They will withdraw to the republic's borders. [Caption reads: "Press Office of the Temporary Joint Forces in Chechnya;" video shows Baturin and Stepashin touring military base, in conversation with General Tikhomirov]

Russia: Far East Governor Clarifies Remarks on Border Demarcation

LD1204140596 Moscow ITAR-TASS in English 1350 GMT 12 Apr 96

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, April 11 (Itar-Tass) — Yevgeniy Nazdratenko, governor of the Far Eastern Maritime Territory, said on Friday that his Thursday's interview with Vladivostok radio on a possible suspension of Chinese border demarcation was "misinterpreted" by journalists and pledged loyalty to President Boris Yeltsin.

"I have no disputes with the President of the Russian Federation on the issue of the Russian-Chinese border," Nazdratenko told Itar-Tass.

"We share a common viewpoint: demarcation works must be finished in conformity with terms specified in by the 1991 agreement (between Moscow and Beijing on the Chinese border issues)," he added.

According to media reports, Nazdratenko told Vladivostok radio on Thursday that the demarcation could be halted, referring to his conversation with Yeltsin.

Speaking to Itar-Tass, Nazdratenko called media response to the interview "a clear misunderstanding" insisting that he never "made a statement that Yeltsin had ordered to halt demarcation works."

"The termination of demarcation works is out of question," Nazdratenko said, adding that "in any case, it must not be done, because no tension must be between the two states."

Nazdratenko added that he is scheduled to accompany the president in his Chinese visit, after which he will go on leave in order to concentrate on Yeltsin election campaign in the region.

On Thursday evening, Yeltsin expressed bewilderment over Nazdratenko's radio interview and strongly denied any suspension of the demarcation.

"On the contrary, I have signed a decree to speed up the demarcation," Yeltsin told reporters.

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The president said that his order to speed up demarcation was connected with his upcoming China visit scheduled for April 24.

"I do not understand Nazdratenko's statement," Yeltsin said adding that "such things occur" to the governor of the Maritime Territory.

According to the demarcation which is in progress in conformity with a 1991 agreement between Moscow and Beijing, China is to receive about 300 hectares of Russian territory in the Khasan region of the Maritime Territory. Such prospects have caused mixed response of the local population.

Last week, General Valery Rozov, head of the Russian demarcation group, tendered his resignation insisting that the planned transfer of territory to China might threaten Russia's strategic interests in the region.

Rozov told a news conference that this transfer "to a neighbouring rival power of several strategically important Russian areas on the eastern stretch of the Russo-Chinese border" harms the national interests of Russia.

"I possess all the papers necessary to prove Russia's indisputable right to the lands near the Tumannaya River, which China is eager to obtain," he said.

On Friday, Far Eastern Ussuri Cossacks decided to interfere with the work of the demarcation commission on the Russian- Chinese border. Cossack units are going to prevent the transfer of the Russian territory to China.

Vitaliy Poluyanov, the Ataman of the Ussuri Cossacks, signed a decree on "Cossacks Picketing Disputed Sections of the Russian- Chinese Border."

Cossacks say that their forefathers developed these lands and settled here.

Economic Issues

Russia: Foreign Investment Targets Seen as Unrealistic

MK1104134896 Moscow NEZAVISIMAYA GAZETA in Russian 11 Apr 96 p 1

[Report by Rustam Narzikulov: "Privatization Will Not Save the Budget. Two Thousand Foreign Firms Operating in Russia Have Frozen in Expectation of Presidential Election"]

[FBIS Translated Text] Yesterday a group of journalists could see for themselves that illusions over an influx of foreign investment in Russia are just that — only illusions. An authoritative research organization, the Russian Association of Marketing (RAM), which works in close contact with the government's economic agencies, has released a study of state property slated for privatization in the first half of 1996. Among the 153 foreign firms surveyed (out of more than 2,000 firms that have their missions in Russia) only five (or 3 percent) "showed interest in investing" in this country... in late June.

The RAM study points to a snowballing panicky mood among foreign investors and sharply contrasts even with a poll, far from optimistic, conducted by the Federal Securities Commission only three months ago. Although even at the time foreigners were not eager to invest money in Russia, the share of entities "not interested in investments altogether" was 36 percent, not 97 percent, as the RAM report suggests.

The second most important conclusion formulated by RAM analysts, even if not directly, is implicit in the study: Revenues from the sale of state property (or from mortgaging it) is a drop in the ocean for the federal budget.

Investors of every description (banks, investment companies, foreign firms, and individuals) are in principle ready to invest in the stock of Russia's largest privatized enterprises between 1.6 trillion and 2.1 trillion rubles (demand varies depending on the future inflation rate). This primarily refers to the companies Rosneft, Sidanko, Sibneft, the Eastern Oil Company, the Tyumen Oil Company, Onako, Norsi-oil, the Russian Electric Power Pool, Svyazinvest, the Novosibirsk Electrode Plant, the St. Petersburg Sea Port, and the Rosgosstrakh insurance company. Gazprom, which was present in this list, was removed 20 March under a presidential edict.

Investors are ready to commit another 2.9-3.3 trillion rubles in the stock of other enterprises. But this is potential demand, while the RAM estimates the actual aggregate budget revenues in the first half of the year at 1 trillion. It will be recalled that the federal budget calls for a revenue of nearly 350 trillion rubles. The order of magnitude is clearly incomparable. Aleksandr Braverman, RAM president, admitted in this connection that "State Property Committee Chairman Aleksandr Kazakov is in a difficult position" from the viewpoint of "how he is to meet the budget target." According to Braverman, it would be expedient to "cut the budget target by 4-5 trillion rubles" so as not to ruin the stock market.

Mr. Braverman's statement about the need "to synchronize monetary revenues in the budget and investments in Russian enterprises" is noteworthy. In this instance the head of the research organization articulated the position of some high-level government officials who believe that the pursuit of fiscal objectives (the reference is to the large-scale issue of state securities) has killed

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Russia's investment market. According to him the government will soon discuss proposals "on revising the parameters of state short bonds" in order to achieve this synchronization.

The official view of privatization in Russia will be presented by the State Property Committee chairman, who is to make a special report at a government session today.

Russia: Implications of Possible Currency Band Abolition Viewed

MK1204132296 Moscow KOMMERSANT-DAILY in Russian 12 Apr 96 pp 1-2

[Report by Vadim Bardin: "They Are Talking About 1 July, But They Are Thinking About 16 June"]

[FBIS Translated Text] That the currency band will stay put only till 1 July was known four months ago. There are still two and a half months to go before 1 July. Even so, top state officials have started coming out with statements as to what will happen with Russia's currency policy after that date. On 29 February Boris Yeltsin predicted the demise of the currency band; yesterday the president was echoed by the prime minister. Why are these statements being made now?

There are several answers to that. The first sounds impartial and academic. Preparations for changes that will come after 1 July need to be made in advance. Currency policy should be predictable. Therefore state leaders are informing the public.

Convincing enough? Not particularly. So far they are only saying what will not happen (Viktor Chernomyrdin specifies: What is unlikely to happen). Yet they are saying nothing about what will come in place of the currency band. On one hand, this is logical: A future currency policy is still being worked out. On the other, the abolition of the currency band is certainly a significant sign. And here the question of political predictability takes on a special meaning.

What is the currency band? Officially, it is one of the staples in fighting inflation, a hard currency anchor for internal prices: a means of suppressing inflationary expectations. In this event the government's anti-inflation success stories (Yevgeniy Yasin made a near-sensational statement that in the first quarter of 1996 prices did not even rise to the government's expectations) are linked to the currency band. The exit from the currency band can mean that a decisive victory has been scored in fighting inflation. Yet it is an open secret that this does not happen to be the case — especially in a presidential election year.

What does the demise of the currency band mean then? This can be the admission that the inflationary charge accumulated in the first half — primarily as a result of an active social policy before the election — can blow up the currency band in the second half. This conclusion is indirectly confirmed by presidential economic adviser Aleksandr Livshits, who talks about its "tilting" and the indexation of the exchange rate to the rate of inflation as a possible replacement to the present currency band. But something quite different can also occur.

The following can also be the case: There will be no official currency band, but the Central Bank, which has accumulated a substantial experience in playing on the currency exchange as well as substantial reserves (in particular owing to the fact that while the currency band was in place the dollar has considerably depreciated), will independently maintain the exchange rate within a certain band. If the official currency band differs from the unofficial one in that the government washes its hands and no longer bears responsibility for the currency policy, there was no need to come out with hasty statements about the abolition of the currency band in the first place.

The abolition of the currency band, however, has yet another subtext. Ahead of the election, those regional elites and company directors who are delighted by Gennadiy Zyuganov's and Grigoriy Yavlinskiy's statements that financial policy should be softened, are being sent a signal that they do have to wait much longer. This signal will primarily reach the [raw-materials] extracting regions: The dollar's release from the straitjacket of the currency band will above all be welcomed by exporters, Russian export still being raw materials.

Whether this preelection maneuver will succeed will soon become clear, as it will be clear whether statements by the incumbents will be reckoned with in formulating an economic policy after 16 June.

Russia: Government Takes Measures To Pay Debt to Pensioners

LD1204192496 Moscow ITAR-TASS in English 1707 GMT 12 Apr 96

[By Liliya Kuznetsova]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — The outstanding debt to pensioners which ought to have been paid from the State Pension Fund in March has dropped by more than one trillion roubles and in 19 Russian regions, the state debt to pensioners has been paid in full, spokeswoman for the State Pension Fund Natalia Petrova said in an interview with Itar-Tass on Friday.

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The spokeswoman said that on April 1, 1996 the state debt equalled 3.8 trillion roubles. In accordance with a presidential decree the Russian Finance Ministry has allocated 200 billion roubles which were directly remitted to Russia's regions. Besides, in April, the outstanding debt to pensioners worth 837 billion roubles has been paid at the expense of assets of the Pension Funds and credits granted by commercial banks, Petrova said. Funds have to be remitted to 41 territories yet, the spokeswoman said, referring to the latest reports.

In some areas, including Moscow and some donor regions, pensions due in April have been already paid to the population and the remaining funds were remitted to the centre for financial support to needy areas. Moscow has provided 250 billion roubles for subsequent distribution, the Khanty-Mansiisk autonomous region — 59 billion roubles, the Yamal-Nenetsk autonomous region — 24 billion roubles, the republic of Yakutia — 20 billion roubles, respectively.

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Internationl Affairs

Ukraine: EC Chairman Message to Kuchma on Economic Reform

LD1204200596 Moscow INTERFAX in English 1741 GMT 12 Apr 96

[From the "Presidential Bulletin" feature: No 72 (1065)]

[FBIS Transcribed Text] Ukraine can rely on EC help to reform its economy and integrate it in the global economic structure, says a letter from EC Chairman Jacques Santer to President Leonid Kuchma, made public in Kiev today.

EC welcomes the adherence of Ukraine and its president Kuchma to economic reform and gives them credit for a big headway in macroeconomic stabilization, privatization and, openness to foreign investment as major elements of reviving Ukrainian economy and integrating it in world economy.

Santer blames scarce foreign investment in Ukraine on the lack of a stable and predictable legal basis. According to him, EC is prepared to start consultations on these issues with the Ukrainian leadership.

The letter also draws Kuchma's attention to the fact that the European Union is considering the possibility of giving Ukraine the status of a country with transitional economy.

Kuchma is assured that EC will actively support all efforts to close the Chernobyl nuclear power plant as part of the Memorandum of Mutual Understanding between Ukraine on one side, and the G-7 and EC countries on the other, the letter says, adding that the next few months will be crucial in this respect.

Ukraine: Marchuk: Kiev More Flexible Than Others at CIS Meeting

LD1204174396 Moscow INTERFAX in English 1634 GMT 12 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The Ukrainian delegation signed most accords submitted for signature at the CIS Prime Ministers meeting in Moscow on Friday, the chief Ukrainian delegate, Prime Minister Yevhen Marchuk has declared at the end of the gathering.

He explained this by the fact that "we had managed to reassert most of our positions at experts' level, as a result of which, the final documents took Ukraine's view into account."

He admitted however that his delegation had signed a number of documents with reservations, connected with the procedure on putting these documents into effect.

Ukrainian delegates also suggested amendments to two documents in a bid "to prevent the emergence of supranational structures."

Of the block of economic agreements, offered for signature, Ukraine refused to sign a single civil aviation information system Sirena-3. According to Marchuk, "Ukraine will seek to create such a system domestically, and only then will offer it for integration it within CIS." Ukraine's position was backed by Armenia.

Marchuk stressed that documents on the tenth anniversary of the Chernobyl disaster, debated at the meeting, were worded as the Ukrainian delegation had suggested. CIS prime ministers decided to address a message to CIS participant-countries in connection with the Chernobyl calamity. It was also agreed that Ukraine will issue medals for all those across the CIS who helped to eliminate the consequences of the Chernobyl accident.

Of the set of border agreements, Marchuk stressed, Ukraine will only join a scientific and technical cooperation accord. Adherence to other documents is against its concept by which Ukraine regards all its frontiers as state borders rather than external and internal boundaries.

Asked by Interfax about Ukraine's attitude to the prospective CIS integration plan, Marchuk noted that "on the whole Ukrainian delegation supports it." However, he noted, reservations were made in regard to the customs and payment unions in which Ukraine does not take part.

Ukraine signed an agreement on the transit of oil across CIS countries with a reservation that there should be equality between domestic and foreign oil transporters. "That is an international rule," Marchuk stressed.

On Kiev's participation in the collective anti-aircraft CIS defense system, Marchuk remarked that his republic "is ready and willing to take part in designing technical means for anti-aircraft defense on a mutually advantageous footing because it has gigantic capacities in the military-industrial complex, where orders can be placed, capacities that are being wasted."

Noting that Ukraine is not immediately involved in the collective anti-aircraft defense system, Marchuk said that Ukraine's anti-aircraft defenses are "absolutely autonomous."

On the whole, the Ukrainian delegation has been "more flexible" than others at the Moscow assembly, prime minister said, adding that Kiev has been "more inclined" for compromise on what he described as "on the whole correct issues."

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At the same time, Marchuk stressed that "on the matters of principle" such as the customs union, CIS collective security, and CIS borders, the Ukrainian delegation has been uncompromising.

Ukraine: Kiev Denies Responsibility for Failed Yeltsin Visit

LD1204192296 Moscow INTERFAX in English 1537 GMT 12 Apr 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] KHARKOV, April 12 (Interfax - Ukraine) — The Russian president's visit to Kiev scheduled early this month was not held, but not because of Ukraine's fault, Deputy Prime Minister for National Security and Emergencies Vasiliy Durdinets said.

"The two states must finalize this process (the negotiations on the Black Sea Fleet - IFU) in a civilized way, with both Russian and Ukrainian interests taken into account," he told a news conference in Kharkov on Friday. "We are open for further talks," Durdinets added.

At the same time, he said Ukraine would never agree to withdraw its navy from Sevastopol. He said Ukraine has ceded enough to Russia, "but there is a limit to these concessions."

Ukraine: Ukraine To Receive 12 More Black Sea Fleet Ships in Apr

LD1304135096 Moscow ITAR-TASS in English 1307 GMT 13 Apr 96

[By Lev Ryabchikov]

[FBIS Transcribed Text] SEVASTOPOL, April 13 (Itar-Tass) — Twelve more auxiliary ships will be handed over to Ukraine by April 25, a Ukrainian Navy official said.

The announcement was made by Captain 1st rank Grigoriy Repashevskiy, commander of the Ukrainian Navy's auxiliary fleet, after a meeting with his Russian counterpart Dmitriy Gagin on Saturday.

Repashevskiy and Gagin discussed the procedure for transferring the ships.

Ukraine: Kuchma Makes Stopover in UAE on Way Home From Indonesia

LD1404170196 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 14 Apr 96

[FBIS Translated Text] On his way home from Indonesia, Ukrainian President Leonid Kuchma made a stopover in Sharjah, in the United Arab Emirates. After a meeting in Abu-Dhabi on 13 April, President Kuchma and ruler of Sharjah Shaykh Sultan Bin-Muhammad al-Qasimi declared a mutual intention to develop bilateral relations. During the conversation with the Ukrainian president, Shaykh Sultan spoke of an ongoing interest in the United Arab Emirates in joint ventures with Ukraine for the benefit of people in both countries. The two leaders discussed some regional and international problems. After the talks, President Kuchma went on a sightseeing tour of the city, accompanied by Shaykh Sultan.

National Affairs

Ukraine: Press Version of Kuchma 2 Apr Speech

WS1504110096 Kiev URYADOVYY KURYER in Ukrainian 4 Apr 96 pp 4-7

[Ukrainian President Leonid Kuchma's speech at the Ukrainian Supreme Council session on the occasion of presenting the Supreme Council with the annual report on Ukraine's domestic and foreign policies "Ukraine's Economic and Social Development in 1995 on 2 April 1996"]

[FBIS Translated Text] Dear compatriots! Esteemed people's deputies! As president of Ukraine, I am addressing the Supreme Council with my annual speech. Given that the deputies have been presented with the text of the speech, I will only dwell on some aspects in the life of the state and society, on some key problems that require understanding and urgent resolution.

Above all, I consider it necessary to state that, regardless of the colors used to paint the present state of Ukraine, the reality is such that we confirm ourselves as a state and reform ourselves as a society. Ukraine has passed a historical turning point and there will be no return to the past. However, the danger of attempting this has not been ruled out. And further, it is real, taking into account both internal and external factors.

Therefore, we should never again raise the issue of choosing what sort of state Ukraine will be. The choice has already been made. We must reject all kinds of doubts, and we must not waver as to whether we can safeguard the current level of its economic, social and political status. Otherwise, we will again be doomed to another painful experiment in the fruitless search for the illusive bright future.

Behind us is the precipice. Ukraine simply would not bear a destructive retreat, and a retreat could only be destructive.

Taking this into account, I would like to stress again that now, as never before, there is an urgent need to have a well-considered and unbiased assessment of the stance of our state, and recognize the first fruits and positive efforts of organizing life in the new

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conditions, and safeguard and adapt them to Ukraine-wide circumstances. After all, nobody ever emerged from crisis through a crisis.

Primarily representatives of the power bodies, politicians and political forces should demonstrate objectivity and realism, which require a renunciation of both the feeling of disaster and unmotivated optimism or general despair which automatically gives rise to an atmosphere of mistrust and the search for enemies. I am forced to draw attention to this because at these levels the indicator of stimulation and aggressiveness is significantly greater than elsewhere in society. The endless political squabbles sow dangerous seeds of discord, and generate tension and confrontation in the country.

We must once and for all abandon populism, which for many has already become a profession, in all its manifestations. We should redirect our efforts toward the difficult and exhausting work to build our state and organize our life on civilized principles. A generally known truth that is worth recalling: our dreams and aspirations in this field should be implemented by consolidating our efforts in practical work.

In order to divide the social pie, it should first be allowed to grow.

It is high time that each one of us received an honest answer to the question: who does he represent in politics and why did he enter it — as a plenipotentiary representative of the people or exclusively to represent narrow party and group interests?

How can we understand the fact that we are calling for great changes when they are a long way off, catch a fever when they are upon us, and search for the culprits when the transformations finally begin to be carried out.

How can we understand that some people, while asserting that they serve the state, at the same time are ready to denounce it and often search for someone to surrender. They swear their love and sympathy for the people yet stubbornly refuse to understand the objective necessity of unpopular decisions for its salvation. Thus, they are dragging out the period of uncertainty and chaos.

They praise freedom and democracy but do little to establish them. For the most part, they act with methods of pressure and even political blackmail. They try to predict the future but in reality they are moving backwards. They expose their inconsistency and, at the same time, by far do not act in the best way, counting that reforms will be defeated for their own self-affirmation.

Let us be honest and admit that we have given grounds for some of these and other far from rhetorical questions. This is the first and most important problem which I consider necessary to draw attention to. It is a serious obstacle blocking progress in the creation of the state and a civic society.

We have all grounds of including among our most important achievements the maintenance of civic peace and calm in society and maintaining the integrity of Ukraine. The importance of this as an indispensable condition in creating a new life becomes more understandable by a simple comparison with processes that are taking place in the post-Soviet countries, where conflicts, including the use of force, have become an indivisible characteristic of the transitional phase.

To a considerable extent, political stability is the result of wisdom and the well-considered nature of our people, although they spontaneously and purposefully subject themselves to trials by socioeconomic processes and by various political influences.

This cannot but have an effect on sentiments in society.

Therefore, at present the issue of consolidating all the branches of power, political forces, and the public at large is an acute one.

It is now very important to gather the political will and to act with maximum possible coordination. I am not exaggerating when I say that our future depends on this.

Specifically what are we talking about? First, it is necessary to formulate a coordinated consensus with regard to fundamental values.

We should finally initiate a movement that unites rather than divides us and determine the points of coincidences in the views of various outlooks in order to achieve a political compromise.

Second, we need to create conditions to open up historical creativity and reject the pre-planned "isms" and attempts of another search for a simple solution to the difficult problems: they do not exist.

Third, it is necessary to search for fundamental values of development in world experience and in our own Ukrainian political culture, and not in some abstract ideal. We should abandon the simplified and primitive aggressive understanding of the national idea.

I am convinced that Ukraine's future will be decided today and not by deciding between going forward or backwards. Its stable development will be possible under conditions of shifting the center of attention of social discussions from the sphere of ideology (on whether we should build socialism or capitalism) to the sphere of analyzing the nature of the emerging

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democratic institutions and of the new principles of the vital activity of the country and the people.

This is also pressing in light of the fact that the openness of politics invited many candidates to set the rules for it.

Hence the importance of seeing and understanding what constitutes the main results of our work today.

I believe that 1995 will go down in the historic annals of Ukraine as a generally successful year, despite the economic crisis and social hardships. We developed better foresight in economic and political development. We managed to avoid the most horrific thing — a political crisis, its transformation into a dangerous confrontation and a confrontation between the executive and the legislative. The constitutional agreement between the Supreme Council and the president of Ukraine made it possible to get out of the tight corner in which we had found ourselves because of the extension of the effect of the Constitution of the Ukrainian Soviet Republic beyond the historic limits of the existence of the "socialist" republic, to initiate the integrity of state policy on the basis of the principle of division of power and to stimulate a modern constitutional process.

We proved we were able to overcome the fear of reforms and to get them started, to create the groundwork for the market economy. Despite mistakes, sometimes the lack of professionalism and, again, the fear of rejecting the old, we do control the establishment of market mechanisms and the general situation in the economy.

We further developed democracy in the political sphere and made considerable progress in creating a civic society. The principle of pluralism is being established in place of the monopoly on ideology.

The issue of social partnership is being solved mainly in a civilized framework. The stability in interethnic relations is being reliably maintained. Peace between religions is being maintained in conditions which are far from simple.

The state has not abandoned the humanitarian sphere. Moreover, reforms have been initiated almost in every direction and the potential of this sphere has been largely preserved.

Ukraine's recognition and establishment in the world community has acquired qualitative dimensions. The most important sign of it is Ukraine's acceptance into the Council of Europe which, in its turn, has confirmed the possibility of choosing the European model for our development. However, I know very well the difficulty of achieving these accomplishments. The lives of most people are far from bearable. The social price of reforms is extremely high.

Therefore, while talking about the positive features of 1995 and about negative results, which — I would like to reiterate — are unfortunately much more tangible than our achievements, we should take into account a number of factors which have not been analyzed so far. First, the processes currently going in Ukrainian society to a great extent reflect the alignment of forces and orientations in the bodies of state power and in Ukraine's political arena in general. This produces corresponding results and activities.

Second, we have to act in new conditions, due to the existence of the opposition. Moreover, this opposition does not comply with the generally accepted concept; it is opposition against the system: its members proceed from the position of irreconcilable political opponents, both against the Ukrainian state as such and against the fundamental social values which are being created.

The third factor is connected with the insufficient understanding of the gravity of the crisis which we inherited, but in my opinion we should not separate our recent past from the problems of our present day, otherwise society will not be able to comprehend the reasons for our slump.

Finally, the fourth factor lies in the dimension of people's sentiments, which was given little attention and which could be described as exaggerated expectations from independence.

First, the desire to achieve positive results at the referendum of December 1991 largely undermined the possibility of adequate evaluation of the prospects of transformations. Second, it created illusions that reform would be easy and that problems, accumulated over a long period, could be solved in a short time. Third, a belief was born on this basis that the authorities can fulfill any task without difficulty. This had set a trap for the authorities. It is difficult to take decisions which are going to be unpopular but which are crucially important for the country, because this leads to people losing confidence in the authorities.

Since miracles do not happen, ideological self-intoxication of public sentiments grows and there appears the phenomenon of "lost hopes" and a nostalgic yearning for the past with all its consequences, especially among older people, who find themselves in the most difficult conditions. The failure of the state to carry out properly its obligations in the social sphere aggravates the situation.

It is clear that no serious and responsible politician can ignore these sentiments. At the same time, I would like

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to emphasize that it is irresponsible and immoral to build one's policy on their basis and interpret people's justified discontent with miscalculations and mistakes of the reform process as absolute rejection of reform and refusal to accept Ukrainian statehood.

Our opponents do have a point in saying that almost half of society is not ready for reform yet. But let us not forget the main fact that more than half of society is ready for them.

The key obstacle to reforms lies not in reluctance to accept new ideas, but in a reluctance to give up the established dogmas.

Esteemed deputies, I deliberately began by dwelling on these issues, because I firmly believe that they are a crucial factor in our progress, above all, in the main sector — the economy.

The economy is now at a responsible and critical stage of its development, which should be borne in mind while analyzing the current state of social relations.

In essence, the economic crisis in Ukraine is a complex web of disparate processes. Let me mention some of them:

— an objective economic decline in output, caused by a transformational transition to a market economy. It is quite obvious, that even with the best strategy and tactics, any large-scale transformation of economic relations cannot proceed without a decline in output;
— the disintegration of two huge geopolitical amalgamations — the Soviet Union and the Council for Mutual Economic Assistance — which coincided in time and resulted in a total breakdown of economic ties;
— the structural crisis of the USSR economy, which appeared back in the 1970's and continued to deepen until its collapse;
— the inherited technological crisis, and the delay in the modernization of technological resources in the 1970s and 1980s prompted an urgent need to replace the entire productive base of the country.
— the energy crisis, caused by a steep rise in prices for fuel, most of which was imported because of the energy-intensive nature of our production.

In addition, we had to pay a high price for the delay in economic reforms. Ukraine experienced a much deeper economic slump than the countries which ensured an early start in market transformations. Therefore, the nature of the current economic crisis lies in many factors, and one should not seek it solely in the outcome of market reforms.

Two periods can be singled out in attempts to reform Ukraine's economy. The first lasted until mid-1994 and was characterized by a unjustifiably long realization of the essence of independence and of the necessity of reform, as well as by gaining experience in the sphere of making independent decisions. The second period, which has lasted since the end of 1994, is the period of the actual beginning and implementation of reform. It is understood that in-depth analysis of the past and current economic policies is of an academic, rather than practical nature. Life is always more diversified than the models which we try to apply to it. It also has more colors than those offered to depict it. Nevertheless, it is vitally important to take into account historic lessons and draw appropriate conclusions. Let me dwell on some of those.

The absence of an independent active policy in Ukraine only in recent history caused an enormous economic decline. For a long time, the country was in a state of hyperinflation, with a deficient economy, consuming more than it produced and importing more fuel and other products than it exported. The foreign debt grew. The shortage of investment in the economy made the country spend its national wealth, and there were virtually no revenues to cover the deficit other than the printing of money. The absence of funds to meet foreign debt commitments was an increasing problem.

Ukraine's previous governments, consciously or under the pressure of circumstances, went on to issue cheap credits and print excess money, trying to achieve a breakthrough in the dynamics of production within a short period. This approach was chosen in the hope that monetary emissions would somewhat boost output and increase real wages for a time, while the shortage of products, caused by an increase in state control over prices, would be compensated for by imports.

The outcome of this course is known too well. The temporary feeling of an economic "uplift," encouraged by inflationary demand rather than real purchasing capacity, quickly evaporated. The natural volume of output lagged behind the increasing weight of printed money. It could not be compensated for with imports due to the absence of hard currency funds.

Meanwhile, there was a growing need for stricter price controls, "frozen" wages, and a state-regulated exchange rate.

This eventually called for new tax breaks, tough protectionism in foreign trade, and more state regulation of production. Finally, the revival of centralized planning, the centralization and nationalization of the distribution of goods and financial resources caused the inevitable rise in inflation, overt or hidden, through emerging permanent shortages of products.

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The rise in inflation, coupled with the outflow of capital abroad, undermined the national currency unit, which was increasingly substituted for by freely convertible currencies and barter, while the sources of budget formation disappeared. An attempt to stabilize the situation with increased subsidies completed the collapse of the state budget. The drop in real wages affected an increasing number of people.

Who could benefit from this course of developments? First of all, there were certain commercial institutions, including newly established commercial banks, which thrived on financial instability and inflation and which could promote their interests in the government. This was also beneficial for inefficient enterprises which saw no future for themselves in a market economy and were unable to compete, including with foreign producers. Preferential credits alone, as well as other forms of government support, enabled them to survive.

In these conditions, the government was sliding fast into an abyss. There was no more room for maneuver, no painless options for development. Our only remaining option was to quickly take the road of reforms, which we did.

However, even now projects are still being drafted and circulated at the highest state levels which can be jointly deemed as appeals to prevent no less than a "national catastrophe."

What more can I say, when the state economic and social policy guidelines, approved by the Ukrainian parliament and backed by the world community, as well as the government action program, have become objects of political attacks and sabotage on the part of certain high-ranking state officials. Labels such as "the ruling elite" and the "anti-people's regime" are not the only ones in their arsenal.

After the Supreme Council's newspaper published a statement by 34 "defenders" of motherland, people really realized that the state and the people were in danger. The deputies who signed the declaration should realize better than anybody else that another nationalization of property, a confiscatory monetary reform, not mentioning the attachment of all valuable property acquired by the people within the last five years, are nothing but provoking a social explosion.

Open political confrontation is offered instead of compromise, coordination, and mutual understanding. This should only be regarded as attempts to destabilize political life and prevent positive changes in the economy.

The essence of reform must not be constantly put in doubt at the highest state level. There is no use anticipating society's support of reform in such conditions. It is natural that under the "Sword of Damocles" of nationalization and expropriation people will conceal their profits, tax evasion will acquire a broad scale, the shadow sector of the economy will grow, and capital will escape abroad together with the best brains.

The cited phenomena which we usually deem negative are a natural reaction of a sick social organism. We hear appeals to use authoritarian methods of fighting them. However, we realize very well that we should primarily fight reasons, and not consequences.

The latest argument voiced by advocates of moderate inflation and cautious reform is that Ukraine's economic crisis is of a unique national nature, and therefore, the road to economic recovery should be also a unique one, without any outside assistance.

The only thing I agree with is that no two countries are the same and there can be no two identical anticrisis programs, and nobody but ourselves can complete this course. But strategic measures to overcome the transformational economic crisis are similar in post-socialist countries and it is absurd to ignore this. Most of them successfully overcame their difficulties, given that they did not look for some special way, but instead persistently implemented reforms.

We are reproached for introducing market mechanisms alongside the removal of state involvement, for basing our economic policy on tough "shock therapy" methods, for artificially disrupting economic ties and destroying the single economic area.

Indeed, the need to support economic growth, assist profit-making enterprises, ensure macroeconomic stability, the development of enterpreneurship and competition, mobilize the economy and attract investment is obvious to us.

We have always welcomed constructive proposals concerning general principles of economic policy, and we take them into account. At the same time, we cannot ignore certain unacceptable demands such as to impose restrictions on capital movement, control prices and wages, restrict foreign trade, oblige banks to finance loss-making projects, and so forth. This would lead to the devaluation of the national currency, administrative control of the exchange rate, and not only that. The state should rely on production, not the other way around, otherwise socialism would have proven its advantage. Besides, we simply do not have the resources for escalating state intervention in production. Neither can we ignore new democratic trends. People themselves will not tolerate any irresponsible interference with the economy coming from officials who risk not their own wealth but taxpayers' money.

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It is a well-known fact that a tough credit and financial policy in the states that experience hyperinflation (with a monthly inflation rate at or above 50 percent) only becomes "shock therapy" when the rate of increase of the monetary mass drops to an annual 30 percent. The growth of the monetary mass in Ukraine exceeded 1,800 percent in 1993, almost reached 600 percent in 1994, and was 150 percent in 1995. Annual inflation rates stood at approximately the same level. The indicator of the growth of the monetary mass in developed states does not exceed 10 percent, given a stable and developed market infrastructure.

At the same time, the processes of establishing order in any country drawn into hyperinflation are not aimed at democratizing the economy. On the contrary, they are aimed at establishing an authoritarian regime. Thus, we must make a choice: either normal money will start functioning or we will need a dictator. It would be appropriate to recall Lenin's words: There is no method of ruining a social system which would be more refined and sure than the ruination of the monetary system.

The curbing of inflation will remain the indisputable priority of our policy.

East European states which had freed themselves from total nationalization launched market economic reform back at the end of the 1980s. They paid for structural reform with a temporary production decline and with the lowering of people's living standards. However, they have already entered the period of economic growth.

The coming to power of leftist forces in those states is also interesting from the perspective of economic transformations. Whether willingly or not, those forces have to subordinate their actions to the economic logic, which says that expenditures on the social sector have to be reduced to fight the budget deficit and that the attraction of foreign investments remains the principal task.

The experience of those states clearly proves that a certain amount of time and patience is needed to achieve tangible results in reform. For instance, reform of Germany's eastern lands has not been yet completed despite huge allocations from the federal budget (DM100-150 billion per year) over the last five years, despite much better initial conditions, a strong convertible national currency, and a developed and efficient legislative basis. Therefore, one can say that the choice of options for resolving the problems of the transitional period does not depend on the political orientation, given that one proceeds from economic interests and not from politics.

In 1995, Ukraine took firm steps to liberalize the economy and implement macroeconomic stabilization and privatization.

The experience of the previous year, when the process of price liberalization was virtually completed, made it possible to estimate the state's actual potential to regulate a certain number of prices and tariffs. As the range of free prices grew wider, the situation became more controllable. For instance, this is proven by the fact that we managed to avoid a steep rise in prices at the end of the year, something which recently had become habitual. The rise in wholesale prices and inflation was at its lowest in December.

Life has clearly proven the failure of total control over prices, especially in those areas where the market principle of forming prices under the influence of supply and demand functions. That is why a decision was made to confine state control over prices to natural and some artificial monopolies which, by virtue of their position on the market, can dictate price requirements.

The only area where price liberalization was introduced gradually was vital goods and services, such as municipal rates, rent, energy resources for the population, and public transport. The sphere of free pricing is being extended further along with the demonopolization of the economy and the creation of competition.

Ukraine has instituted very liberal import regulations, without any quantitative restrictions. As for import tariffs, their average rate is below 5 percent.

Large-scale export liberalization has also been achieved. In particular, all export quotas and licenses have been lifted. The validity of the last quota — for grain exports — expired at the end of the summer of 1995.

In addition, this year we have canceled mandatory registration of export contracts as well as indicative prices, as they turned out to be an obstacle for export. At the same time, we have always been guided by the principle that foreign trade liberalization by no means implies total removal of state influence on developments in that field.

Taking into account the crisis in industry, we need to introduce gradual yet persistent measures of moderate protectionism with regard to potentially competitive producers. We are not effective in this. In order to rectify the situation, we need to restrict first of all non-critical imports by means of a flexible excise duty policy, which is only just beginning to develop.

Unlike previous years, since the end of 1994 we have been making constant and persistent steps in the financial sphere.

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To keep the budget deficit below 7 percent of GDP we had to cut dramatically all subsidies to enterprises, price subsidies, state capital investments, and other expenditures.

These efforts produced certain positive results, yet these results were mostly achieved due to budget revenues, rather than due to a well-considered budget policy. Too much spending took place, something not envisioned by the budget; in particular subsidies and targeted credits were issued to large industrial enterprises, while social programs where not fully financed.

Our common task is to ensure rigid control over budget expenditures.

I would like to emphasize in this regard: the payment of full wages, scholarships, and pensions, as well as all other necessary social expenditures are the primary tasks of the government and the state administration.

Taxes are our principal problem. First, despite all efforts, the state has not yet learned to efficiently perform its primary function, that of levying taxes. Second, taxes remain excessively high, which produces tax evasion. As a result, a certain part of Ukraine's economy has moved into the "shadow."

We can only put it back on the legal track if we carry out a fundamental tax reform which, among other things, should envision the alleviation of the tax burden, a simplified tax system, and an expanded tax basis.

This is our joint urgent task, given that most enterprises simply will disappear by 1998, the year of the completion of tax reform envisioned by the Supreme Council.

The credit policy was generally tough. It could not be fully successive on its own, without appropriate budget limitations. Quarterly credit limits were generally observed, despite the fact that the volume of printed money varied from month to month.

During a major part of the year, a realistic refinancing rate was observed. When inflation started to decrease, we managed to reduce the rate by two-thirds, but kept it positive. Another indicator of changes for the better is the beginning of non-emissionary financing of the budget deficit by funds acquired from the sale of domestic bonds.

The exchange rate of the national currency fluctuated during 1995 and its fluctuations were removed without any major interventions. The only exception was probably in August, when the karbovanets exchange rate temporarily plummeted. The fact that the lowering of the exchange rate was slower than price increases indicates an increase in the real exchange rate of the karbovanets. This is an indicator of the revival and strengthening of the economy.

Thanks to stabilization measures, the level of inflation decreased from a monthly 72 percent in November 2994 to 4.6 percent in May 1995. However, we have failed to achieve a further decrease of inflation. Moreover, inflation dramatically increased again in September 1995, reaching 14.2 percent, after which another decline occurred, and in December 1995 inflation stood at 4.6 percent.

In general, the 1995 annual inflation of 183 percent was much lower than in 1994, when it exceeded 400 percent. However, this level is too high and is a destabilizing factor. Therefore, our task for 1996 is to achieve absolute and permanent control over inflationary processes.

Privatization is one of the key issues of reform. Endless postponements and debates have brought about a large number of uncoordinated enforceable acts and complicated many aspects of privatization. Nevertheless, due to decisive measures, we managed to privatize more enterprises in 1995 than we did in the three previous years.

Privatization of large enterprises is the greatest problem. It cannot but cause concern that the Ukrainian Supreme Council has exempted more than 6,000 enterprises from privatization. The point is that we know from other states' experience that radical structural reform is hardly possible without privatization. In our opinion, privatization should facilitate the creation of efficient small and medium-size companies.

In light of this, I hope that the Supreme Council will review its decision.

As for small privatization, 90 percent of it was to have been completed in 1995. However, this process became more dynamic as late as the second half of the year. Around 11,500 small enterprises were privatized in 1995.

I do not advocate privatization in one fell swoop. I advocate a well-balanced progress in this decisive area of economic reform, the final goal of which is to acquire efficient owners and attract investments.

The fundamental issue for a transitional economy is social organization. Economic stability depends to a large extent on a stable society. It is a necessary precondition for economic progress.

If our efforts to reform all areas of life, including such an important one as the economy, fail to find support among the people, all attempts to do something will be futile.

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Meanwhile, it is in the social sphere that the situation is most painful. Property polarization is increasing, as well as hidden and overt unemployment, and the problem of poverty is becoming more and more serious. One should admit that, in many ways, we are trailing events in this area, often reacting only to open manifestations of social discontent.

As they say, the coil is ready to snap. Push any further, and it will recoil with great destructive force. Fatigue and discontent threaten to overcome wisdom and endurance.

Therefore, it is more than obvious that, in order to maintain the course of democratic reforms without provoking a social conflict, and to prevent a turn to the past, we need practical actions and a radical boost in social policy.

But this should be done not by populist slogans, which can only complete the destruction of the economy, but by steady measures to reform it in order to stabilize growth.

An active social policy does not contradict the policy of economic stabilization. On the contrary, its absence results in low real wages and limited stabilization of economic growth. At the same time, this policy should be well-balanced, responsible and based primarily on the actual potential of the state.

We should form a system of personal responsibility of citizens for their social security. Of course, this is quite a long process which should be conducted gradually and without excessive speed.

The government should develop a clear-cut system of social security, aimed at supporting and protecting namely those people who really need this. We should, we simply must proceed from the assumption that social protection and retirement insurance have their limits.

On the one hand, we should not engage in empty promises, guarantee more than we can really do, and flirt with certain groups of people, particularly the elderly. On the other hand, we cannot tolerate the fact that the state has practically abandoned those who devoted all their lives working for it.

It is our duty to do everything in our power to repay our debt to those people and make their old years warmer and more comfortable. In particular, when implementing the future monetary reform, the government and the National Bank should consider the possible mechanisms of returning the savings of those who are waiting in vain to earn dividends on privatization vouchers, which would compensate for their losses caused by the devaluation of their savings deposited in the Savings Bank and the State Insurance Company.

We should not forget that a great part of the able-bodied population have found themselves among the most socially insecure groups. In my opinion, this is an equally important problem. It is important to ensure the basic conditions and guarantees for the people's existence. This will be the most reliable form of social protection.

Statistical data on people's real incomes are among the least reliable indicators given that they do not take into account a significant portion of private incomes. Nevertheless, one can observe the positive trend of an increase in real wages, which gives hope that people's living standards will rise.

However, given that this increase starts at a low initial level, it is hardly felt by many people, particularly since the problem of the timely payment of wages has become acute. As I have already mentioned, we will concentrate our principal efforts on the resolution of this problem. In particular, we will strengthen control over the use of budget funds.

At the same time, the nonproportional growth of employees' wages and incomes in a situation when production is decreasing is currently among the principal factors fueling inflationary processes. Unjustified disparity of wages exists in various sectors of the national economy.

The continuous postponement of wage reform, which should be aimed at establishing order in wages and restoring the proportion between wages in various sectors and within the framework of the Unified Wage Scale, produces increased budget expenditures unbacked by appropriate revenues, as well as increased production costs.

Therefore, wage reform and pension reform are our joint urgent tasks. Social justice should lie in eliminating wage leveling and evaluating everybody's individual contribution to the development of the state.

As for unemployment, according to official data, its level is insignificant and stands at 0.4 percent. At the same time, actual unemployment exceeds 5 percent. We cannot ignore the increasing number of cases of partial employment, when enterprises try not to fire their employees and, at the same time, produce almost nothing and pay no wages. People survive due to part-time jobs and additional incomes, and many of them, due to having individual land plots.

Thus, also in this area we have something to work on.

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Briefly about investment policy. We link it to the creation of a national capital market on the basis of an accelerated establishment of the stock market, the use of funds acquired from privatization, the lowering of interest rates on loans due to the curbing of inflation, the diminishing of the influence of dramatic fluctuations of exchange rates, the development of a mortgage loan system, primarily in housing construction, and the attraction of foreign investments and credits.

Both the short post-hyperinflation period and the impermanent nature of financial stabilization had an impact on investment policy. Investors are closely observing our legislative basis. Meanwhile, Ukraine's investment rating is low due to this basis.

For instance, Ukraine's laws do not determine a mechanism for the creation of financial-industrial groups. Neither the executive nor the legislative authorities yielded their principles and, first, a veto was imposed on the Ukrainian president's edict, and later on the emasculated version of the law. As a result, producers suffered more than anybody else, because they have not received a single enforceable act for over a year.

Namely those sectors of the national economy suffer from a lack of investments which play a major role in society's socioeconomic situation. This is primarily the agro-industrial complex, the coal mining industry, and power engineering.

These sectors have always received the state's close attention. However, only recent decisions enabled us to make the first real steps toward market reform.

It is understood that we should make persistent and continuous efforts to count on more or less tangible results. If at least some of the energy wasted on talks about the problems of the countryside were used to conduct the sowing campaign, the results of the agro-industrial complex's work would be better. We may face a catastrophe not because of floods, but because of idle talk and prolonged discussions of reform.

The investment process should be accelerated by the use of credit levers, by concentrating banking capital, by granting tax breaks that encourage the development of production, by accelerated depreciation, by synchronizing the indexation of capital stock with inflation rates and the requirements of privatization, by restructuring overdue debts, and by determining the optimal system of payments.

A complex of such measures was discussed in a professional manner at a recent congress of the Ukrainian Union of Industrialists and Entrepreneurs. The projects developed by the president, the government, and the National Bank met with support on the part of the participants. These measures will be approved in the immediate future.

The 1995 results are promising. However, they may be wasted if the initiated efforts are not logically continued.

The main tasks for 1996 are:

— while taming inflation and carrying out financial stabilization, to seek and use all possible measures, including non-traditional ones, to resolve the payments crisis. These policies should be reflected not only in the dynamics of macroeconomic indicators, but should reach the micro-level, too, so that they are felt by enterprises;
— structural reconstruction of the economy, combining the efforts of sectoral ministries, credit support, privatization measures, strengthening the stock market.
— reform of tax policies, which should protect and ensure normal conditions of work for goods producers, making it possible for them to develop production mainly at their own cost; at the same time, there should be good grounds for granting tax concessions and their consequences ought to be calculated and predicted;
— further privatization, including on the basis of measures envisioned by the Ukrainian president's edict "On Tasks and Peculiarities of Privatizing State Property in 1996."

Next come active foreign economic policies, aimed in particular at a return of traditional markets for Ukrainian-made products; the further development of trade and economic links with foreign countries, particularly with the CIS, and above all with Russia. All other tasks stem from these, which make up the preconditions for steady economic growth.

Esteemed colleagues, you will probably agree with me that the humanitarian sphere is the most sensitive barometer of the general condition of the state, the level of people's spirituality, civilization, and solidarity, and is important to social stabilization, especially when reforms are under way, which are invariably accompanied by serious social distortions and huge painful changes in values.

The president's fundamental aims concerning work in this direction and processes for improving it were and remain a warning against excessive revolutionism, and are aimed at reforms which do not lead to the loss of eternal values and which have been gained and felt in our own lives and by the world.

Frankly speaking, neither can I accept the public reproaches that in this case we have only failures, and that we are engaged in destroying what has been achieved.

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It is another matter that the humanitarian sphere now remains as it was before — without sufficient state support, while attempts to commercialize it in many cases have turned into an unspiritual onslaught.

All of this demands from us fundamentally increased legal, organizational, and economic attention to the physical and moral health of society and its cultural and intellectual development.

We should put health protection in first place here. We have no right to go on with simple observing the growing negative demographic balance, shorter life expectancy, and growing diseases and mortality rates.

Active implementation of multisystem principles in rendering medical services should become the basic way of reforming the health care system. At the same time, we must retain the affordability of principal medical services for all the social categories.

I believe that we all agree that this is a great task, both social and political.

I cannot ignore the provision of the population and medical institutions with medicine and medical equipment. Despite the fact that domestic industries have already mastered the production of more than 100 pharmaceuticals which were previously imported, expenditures on acquisition of drugs remain at the enormous level of $380 million.

The absence of a single state policy in the areas of pharmaceutical supplies and pricing results in unjustified and irrational spending of budget funds and creates favorable conditions for uncontrolled activities of middleman companies. At the same time, high prices for drugs make them unaffordable for people and the variety of drugs does not meet people's demands.

The government recently undertook measures to break this vicious circle. The development of a national system of health protection will be accelerated. The passing of the law of Ukraine "On Pharmaceuticals" will facilitate the resolution of the legal aspects of this problem. The first version of the law has been heard by the Supreme Council.

Neglect of mass physical culture over recent years has had a direct effect on the nation's health. Physical culture has been particularly neglected in those age groups where it was traditionally popular in the past, among teenagers and young people. Among other negative consequences, this produced a complex of social problems.

Departments responsible for physical culture and certain local leaders use the lack of funds as a shield and, at the same time, demonstrate a blatant lack of responsibility and conscientiousness. Therefore, there is a need for a special discussion of this problem, and the government should do this in the immediate future.

We currently have all grounds to say that we have made tangible progress in people's perception of the necessity of reform in science. Moreover, we have already made practical steps: the State Commission for Reorganizing Science is functioning; a national conference on this issue has been hold for the first time in many years; appropriate measures have been undertaken.

Main practical work, however, is ahead of us. Therefore, the year 1996 will be difficult.

Reform of the principal components of the educational system continues, including public school, vocational, and higher education.

The president himself has to interfere to ensure the steady functioning of this great and important sector, and sometimes he even has to duplicate the government's efforts. Let us take the issue of textbooks, for instance. The demand for textbooks was met 90 percent of the time in school year 1995-1996, as compared to 33 percent last year.

I realize that the efficiency of this work gets nullified by unstable and inadequate financing. Moreover, these factors discredit innovations. The government is trying to change the situation. I would like to avoid undue nervousness and tension which we evoke by appeals and resolutions on wage increases for employees of educational institutions and budget sector employees in general. Those kinds of appeals and resolutions do not take into account the actual financial potential of the state.

Welfare, without taking into account the state's current economic potential, is a dangerous phenomenon.

The development of the state and economic transformations, especially at the initial stage, inevitably affect culture and the arts. Ukraine is not an exception. Nevertheless, the losses have been much smaller than they could have been. We have managed to preserve, and in some places even expand the creative, material-technical, and personnel resources of culture.

These issues remain within the president's purview. We maintain fruitful contacts with creative people and the artistic youth. At a joint plenum of creative associations, we outlined the major directions of our cooperation with the creative intelligentsia.

Expansive work is being conducted to complete major repairs and renovation of the National Philharmonic building and build a Ukrainian culture center in Moscow. Radical reconstruction of the "Ukraine" Palace

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of Culture is under way. An edict will be passed within the next few days on the reconstruction of the Odessa National Academic Opera and Ballet Theater, which has been in a catastrophic state for a long time.

Efforts are being made to increase the purchases of works of art, drama, and music.

As you know, we have stepped up our efforts to revive the lost historical-architectural heritage. In particular, we have envisioned the reconstruction of outstanding monuments of history and culture, primarily the St Michael Golden Dome Monastery and the Assumption Cathedral on the territory of the Kiev-Pechersk Monastery. Much is being done in various regions of Ukraine.

We should return to the people the symbols of our memory and spirituality, the guardians of our national spirit.

The aforementioned by far does not mean that the president tends to idealize the situation in the sphere of humanities. The state has not managed to overcome the principle of financing this sphere in last place. This is the main thing.

However, let us try to recollect: has this sphere ever had its "golden age?" This never happened. Therefore, I would like to warn those who are trying to use problems experienced in the sphere of humanities to organize people for all kinds of "spring" or "autumn" onslaughts.

There will be no winners in those onslaughts. The people and the state will be losers.

Given that our activities should be based on responsibility for children, who are our future, I believe it necessary to draw your attention to the problems of their upbringing, education, health protection, as well as social and legal protection, particularly since these problems are acquiring a political connotation and are beginning to affect the image of our state. Publications in the press about unhappy childhoods in Ukraine testify to this. Unfortunately, those publications are true.

The number of preschool institutions has decreased by 1,300 within the last three years alone; the number of children in those kinds of institutions decreased by 600,000. There are no schools in more than 50 percent of villages. Around 20 percent of village schools have a reduced number of grades. The pedagogical personnel problem remains urgent. Some 50 percent of educational institutions need reconstruction or major repairs; 15 percent of schoolchildren are taught in the second shift.

Children's health constitutes a separate problem. Infant mortality in Ukraine is threefold higher than in Japan and twofold higher than in Austria, Canada, France, or Sweden. Only one out of eight children of preschool age is healthy, and only one out of 20 children remain healthy when they graduate.

Negative trends in organizing children's spare time, cultural and physical upbringing, and rest evoke concern and alarm. The number of children's summer camps and the number of children serviced by those camps has decreased threefold in comparison with 1990. For this reason, I have issued a special resolution on this subject.

The most painful problem is the problem of disabled children, as we have more than 115,000 of them. The existing network of specialized institutions and grades in schools and preschool establishments does not fully meet the demand in the upbringing, education, and rehabilitation of disabled children.

The issues of professional training and employment of disabled children demand legislative and organizational solutions. The overwhelming majority of families that raise disabled children suffer material hardships, given that they have to pay for medical care and rehabilitation of their children.

Measures of social and legal protection of children remain inadequate. The number of parents dodging the upbringing of their children has increased.

Currently, there are 51,100 orphans and children without parental care.

Left without constant parental care, children ever more often get drawn into the criminal world and become bums or beggars. In 1995, the number of crimes committed by juveniles or with their participation reached 40,000.

The cited examples underscore the importance of the "Ukraine's Children" National Program (which was recently approved by presidential edict) and the urgent need to mobilize all resources and the entire society to implement this program.

A conference will be held on this issue in April 1996, attended by leaders of relevant ministries and departments, oblast state administrations, and public organizations. We have warned them that they should be ready for a serious discussion.

I invite you to take part in the conference. To forestall eventual accusations, I will say the following: this problem did not emerge today or yesterday. It is just that we have preferred to ignore it.

Talking about the principles of our policy in the sphere of humanities, we cannot ignore the issues of religion.

We are all witnessing a revival of churches in Ukraine. The spectrum of religions is also expanding, including

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due to new and nontraditional religions. Around 17,000 congregations are officially operating in Ukraine, representing 70 religions, directions, and trends.

At a recent meeting with the president, leaders of religious organizations confirmed that we follow the path of granting the legal status to all legalized religions; we guarantee their equality before the law; and we guarantee them freedom of religion.

We have established Ukraine's State Committee for Religions to support the proposals expressed by religious organizations and to implement a persistent state policy toward religion and the church. We have completed the drafting of the "Ukrainian State Policy Concept for Church Issues." We have also completed organizational preparations for setting up the pan-Ukrainian Council of Churches.

The government and local state administrations have been instructed to draft proposals regarding the transfer of holy buildings to congregations, the allotment of land plots to them, tax breaks, the exemption from land tax, and so on.

I hope that the Supreme Council will support the executive authority on issues that demand legislative regulation.

We highly value the enlightening activities of the church. However, the effects of those activities are to a great extent diminished by the multisided church conflict. This conflict poses a serious threat to civic peace in Ukraine and has a negative effect on Ukraine's international prestige.

Of course, accord between different religions is primarily an issue for church superiors, the clergy, and parishioners. At the same time, the state is ready to support their steps aimed at achieving unity, peace, and calm in church circles, and will support those kinds of steps. However, the church should not be an instrument in politicians' hands; particularly it should not be used by the secular authority.

The state should not expropriate the functions of the church, and the church should not undertake the functions of [secular] authority. Otherwise, both the church and the state will lose their positions.

In my opinion, the state should be a defender and supporter of an independent church, and the church should be the spiritual defender of the state and the people.

In the future, too, our policy will be aimed at creating equal conditions for churches for the performance of their spiritual mission and at ensuring strict observance of the legislation on the freedom of religion and on religious organizations.

You will soon be presented with proposals on improving and amending this legislation. I ask you to discuss them expeditiously.

The multiethnic character of the Ukrainian state demands considerable efforts and especially balanced approaches toward state policy in the sphere of interethnic relations.

We can currently declare that a harmonious system of state regulation of interethnic relations has been established in Ukraine. It corresponds to international standards and is able to ensure full-fledged revival of all the nationalities and to guarantee the generally accepted human rights.

You know what practical measures the executive authority has undertaken, particularly to resolve the political-legal, socioeconomic, and ethnic problems in Crimea. Therefore, I would only like to add that the government has approved the Concept for the Development of National Minorities Cultures. The implementation of this concept will be achieved through appropriate national programs. The "Ukrainian Diaspora" program has been approved; concepts for Ukraine's policy in the sphere of interethnic relations and programs of their implementation have been drafted.

Esteemed People's Deputies!

The issues related to the security of the state and its citizens receive the president's constant attention. I, the same as you, am primarily concerned with the problem of fighting crime.

Due to the openness of information on crimes, which until recently was strictly censored, an impression is being created among ordinary people that law enforcement bodies do nothing and the state is helpless.

I am far from trying to depict our fight against the criminal world with bright colors. I will not do it, because street shootouts in front of people often times resemble combat operations. Around 50 percent of robberies, 25 percent of cases of aggravated assault and hooliganism are committed in the streets.

Indeed, the weakness of the state, transitional processes in the economy, the changing system of social values, external factors, and imperfect activities of law enforcement bodies — all this has a tangible impact on the efficiency of fighting this social evil. However, one cannot ignore the efforts made in this area or conceal the accomplishments. Otherwise, social despair will grow and the so-called "fifth authority" will consolidate belief in its impunity.

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We have grounds to claim that the onslaught on organized crime has become more targeted; the crime situation in a number of regions has been stabilized. All in all, we have managed to subdue the tidal wave of crime and keep the situation under control. The number of detected crimes increased by 24 percent. The number of registered cases of aggravated assault, robbery, rape, and machinations went down for the first time in recent years.

More than 1,000 criminal cases against organized criminal groupings were sent to court in 1995 alone. More than 50 gangs were rendered harmless, the liquidation of other 200 gangs is nearing completion.

Certain progress was made in restoring order in the economic sphere. Around $43 million, which had been illegally transferred abroad, was returned to Ukraine in 1995. Those guilty of failure to execute hard currency payments in a timely manner or of violating the provisions of barter deals paid K8.4 trillion in fines. In 1996, $102 million worth of claims have been lodged against 614 entities engaged in foreign economic activities.

More than 200 criminal cases were opened on banking system violations. Attempts were thwarted to sign unprofitable contracts, which saved Ukraine $200 million. Due to timely corrections of contracts, Ukraine received an additional $27 million.

More than 100 criminal cases were opened based on the results of a complex inspection of trusts and joint stock companies.

This issue will be discussed in a comprehensive and principled manner at today's session of the Council of Regions. We have the firm intention to use the strictest measures to prevent those kinds of violations in the future. We have been discussing possible ways of issuing compensation to citizens.

Great efforts are being made to purge the ranks of law enforcement bodies. Measures are being undertaken to improve their material-technical basis. However, so far these measures have not produced the desired effects. Work is nearing completion on drafting a concept for judicial-legal reform of the state. We have also drafted the concept for fighting terrorism and protecting human rights and freedoms from terrorist activities. The draft criminal code, criminal procedure code, criminal-executive code, and civil code are practically ready for discussion by the Supreme Council.

I believe that we should jointly step up our efforts to primarily remove those legal norms which create a favorable environment for crime. We should create legal levers for active and efficient counteraction to crime.

I ask you, esteemed lawmakers, to expedite the adoption of bills which have been discussed by you for a long time.

The current new realities dictate a necessity to increase the country's defense capabilities. A state program has virtually been drawn up to build and develop Ukraine's Armed Forces. The proper military, political, and economic arguments and appraisals are to be implemented. Considerable attention is being paid to determining the main aims and directions of reform in the Armed Forces. This work has brought about many political passions and conjectures. Therefore, I would like to bring clarity and a measure of calm to this matter. The main aim of military reform is to create a battleworthy army, capable of fulfilling the tasks of defending the country and not being an excessive burden on it. Taking this into account, the structure, composition, and strength of the Army are to be optimized. Measures will be taken to strengthen civilian control and military personnel policies in the Army and other military formations in Ukraine.

A corresponding decision has been made, and problems of financing the defense sphere, mobilization, and training, as well as the production of arms and military equipment, are being worked out. Naturally, this requires a corresponding legislative basis. Reforms should focus on service personnel — from soldiers to generals — their patriotism and professional qualities; there should be increased state attention to the Army and individuals in uniform.

Taking into account the extremely difficult situation in the military-industrial complex, I have given instructions that a state commission be set up to develop the conceptual principles of military-technical and industrial policy, as well as proposals to improve legislation and coordinate and monitor the activity of state executive bodies in this sphere.

Dear colleagues! Ukraine's stable and predictable foreign policy as a democratic nonbloc country which consistently fulfills the obligations it has assumed, including those in such a sensitive sphere as nuclear disarmament, has met understanding and support in Europe and throughout the world. The international authority of our state is gaining strength. Its geopolitical role as a factor of stability in Eastern, Central, and Southern Europe is becoming more and more visible. The world increasingly perceives Ukraine as an important factor in European security and development. We must consolidate this tendency. Ukraine is actively working on diversifying its foreign relations and increasing their efficacy.

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Proceeding from the dialectical unity of Ukraine's economic and political interests, and the real steps it has already taken, one may with complete certainty determine the trend for expanding and developing integration into Europe. Our strategy is to move closer to European-wide structures along two parallel paths — directly, and through membership in central, eastern, and southern European institutions. Integration into Europe is our conscious and strategic choice.

At the same time, I would like to reiterate that we are consistently in favor of developing integration processes within the framework of the Commonwealth of Independent States, based on the principles of mutual advantage and equality, without any restrictions on the participants. We view the CIS as an important support mechanism in the new conditions of equitable and mutually advantageous cooperation between independent states. However, we believe, and it is our firm stance, that attempts to revive the Soviet Union have no historical prospects and only harm the development of normal integration processes.

Our line toward strategic partnership and equitable good-neighborly relations with Russia remains unchanged, and notwithstanding the fact that the visit to Ukraine by Russian President Boris Yeltsin has been postponed, the dialogue between the sides continues. We hope that a wide-ranging treaty will be concluded.

It is also necessary to note that the fundamental approach in our foreign policy course is to ensure its balanced and multifaceted nature. We will continue to develop trade, economic, political, scientific, technical, and cultural links with states in such different regions as North America, Western Europe, Latin America, the Near and Far East, the Asia-Pacific region, and others. The main direction of our activity is to deepen cooperation with states with which a close and productive dialogue has already been established. We will also seek new partners — with whose relations would serve Ukraine's national interests.

In order to ensure Ukraine enters a steady trajectory of development, whatever happens we must maintain political stability, directing political and public energy into a civilized channel. How far this line will be followed depends on the extent of coordination in the president's, government's, and Supreme Council's actions, which should all fall within the constitutional remit of each branch of power. In this connection, I consider it necessary to raise the issue of the continuity of state policy and express my fundamental viewpoint on it. We have wasted a great deal of time and lag behind in carrying out reforms. This is not because our state policies are a result of the actions of a considerable number of political subjects, but because the actions are of a chaotic nature, and moreover, often unconstitutional. This is a waste of effort by the executive and legislative branches of state power here in the center, and leads to political uncertainty and a vague position adopted by local authorities. Finally, this means a vague responsibility for all and everyone individually.

I say openly and unambiguously that, as president of Ukraine, it does not suit me that initial state policy is dispersed between the branches of legislative and executive authority. It should and will be formed by one constitutionally determined body of state power and implemented by all of its branches. This constitutionally determined body is the president of Ukraine.

I am willing to cooperate with all branches of state power and political forces in Ukraine at the stage of parliament developing the main principles of state policy, but only when they are legitimately determined. It is the constitutional duty of each one of them to act within the Constitution. My relations with the Ukrainian Supreme Council, the Cabinet of Ministers, and local state administrations will be constructed on just these principles. This is because disorder in our state is not caused by the division of powers, but by the now established desire of many to form and carry out their own state policies.

Let me refrain from citing specific examples, as it would add to the air of nervousness. My goal is entirely different — to bring calm and certainty into all power structures regarding their status and activities. Society should permanently feel that the state is governing.

I am emphasizing this and want to determine time limits for the Constitutional Treaty due to the increasingly frequent attempts to discredit it. My advice to those who undertake such attempts: Read this document more thoroughly and realize that I will regard any attempt to shorten the time of operation of the Constitutional Treaty by other circumstances or impair its action in any of its part, as a blunt violation of the Constitution. As the head of state, I will be forced to resort to all legal measures to prevent violations of law.

[We could better and more efficiently] direct our energy at hastening the constitutional process and implementing the legal agreement to finalize it successfully. This will allow us to adopt a new Ukrainian Constitution not later than one year after the [Constitutional] Treaty was signed.

According to Titus Libius and his "History of Rome," Romul, the city's founder, said that he could unite nations only by law. So, we have reached the stage whereby we badly need a basic law for the sake of

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unity, and this unity should occur through a consolidated constitution, embodying our statehood and the irreversibility of our course toward building a society in the interests of the individual and Ukraine's integration into the world community.

You are well aware of my stance toward the draft Constitution, which has been passed to the Supreme Council, and the arguments over its debate and adoption. So, I will express only certain thoughts — especially those about the statements hyped by the Supreme Council that the draft Constitution, worked out by the Constitutional Commission, is of an antipopular nature. First, I will remind you that a third of its articles are devoted to human rights and freedoms. Thus, the problem is not in its being antipopular, but in [politicians] endeavors under this slogan to retain their place in the future political system, or at least to have serious guarantees of political survival after the constitution is adopted, or otherwise not to allow it to be adopted.

Analysis gives grounds to predict that there are concealed endeavors within the Ukrainian political environment to form an interest in preserving chaos amid authority, so that it prevails over the necessity of carrying out constitutional reform. Individual comments and speeches make it possible to assert that some people view the adoption of the Constitution through the prism of their own survival. I say bluntly that, in many cases, only one thing can be seen behind the various "sophisticated" schemes and proposals being put forward — the desire to preserve one's own position of power or consolidate it by pushing through one's own version of the constitution.

Perhaps this is why practically all versions of the development of events to do with adopting the constitution in the Ukrainian mass media are of a pessimistic nature. They are based on the conflict-generating principle, the only difference in scenario being who does what to whom.

And therefore, naturally the idea is being imposed on society that the constitutional process is the beginning of a full-scale political crisis, all reasons for which had been pushed to the background by the Constitutional Treaty, which made struggle between the branches of power senseless and groundless. I stand up for and will stand up for the following positions:

— the adoption of the constitution is a logical and appropriate step in the political, economic, and structural changes in recent years, which demands to be legalized and consolidated not only at the political and ideological level, but also at the constitutional and legal levels;

— the consolidation of a new constitution would actually mean drawing a line under the stage of vagueness where political forces, party groupings, and representatives of authority have the opportunity to virually uncontrollably command the political arena, and in many ways the state's economic potential too, according to their judgment.

— the constitution should lay down the legal and lawful foundations of a new and constructive stage of Ukraine's development, symbolize the irreversible consolidation of Ukrainian statehood and hopes for a better life, and demonstrate that the danger of Ukraine returning to an authoritarian and totalitarian state system has definitely been overcome, that order and stability have been strengthened, and that the exhausting struggle in the higher echelons of power has ended.

There will no longer be any pretexts for conducting battles to establish who has more power.

All of us are politically responsible for any attempts to hamper a constructive conclusion of the constitutional process. I hope you share my opinion that in order to further develop reforms, stable political and economic rules of the game for everyone are needed — the establishment of which is possible only within the framework of a single legal system, consolidated in the constitution. I also hope that everything will be done properly to adopt it as soon as possible.

It is a good thing that society increasingly understands the need to adopt a new constitution. Public organizations and parties also support this need.

This is why, in my opinion now it is a good time to coordinate and consolidate efforts put forth by the authorities, society, political structures, and the entire nation based on the understanding that all of us want to restore Ukraine, mend the economy, and improve living standards.

National interests can and should become the foundation for ensuring a nationwide accord.

I am convinced that in the interests of Ukraine and its future, compromise is possible. Besides, there simply can be no other option if we really want to achieve what we proclaimed. [This is possible] despite various views on the path of our development — which assumed the form of patriotism, statehood, socialism, social democracy, and liberalism — that were materialized in corresponding political formations.

The desire of Ukrainian parties to unite should be seen as a positive sign in the country's political life. One should also welcome their moves to coordinate their positions on global and momentous issues for the state,

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completion of the constitutional process being one of them.

For his part, the president sought to ensure a dialogue in political life and to spread the simple and natural truth: Confrontational policy is short-sighted and has no future.

However, one cannot ignore the fact that certain politicians and forces that are not interested in social stability are becoming increasingly vocal. The most radical of them, holding an aggressive and uncompromising position, demonstrate a readiness to resort to tactics that have already been used by their predecessors.

On the one hand, this testifies to the fact that our society will have to learn something about political culture. On the other hand, this is an additional proof that Ukraine needs to adopt a new constitution as soon as possible which would protect its people from political adventurism.

The year 1995 can also be noted for the growing significance of trade unions. In my opinion, this became possible thanks to changes that they are currently undergoing; namely, it is the reorientation of their leaders from strengthening their personal position to realizing the role of the trade union movement in social life and labor relations. This is manifested by their agreement to establish a negotiation process and put emphasis on cooperation and compromises for the benefit of national interests. Specific moves have been made to strengthen the system of social partnership that, as our domestic and international experience proved, is a civilized alternative to the destructive confrontation in the social and labor sphere. By the Ukrainian president's order, the draft law "On Social Partnership" has been devised and submitted to the Supreme Council for examination.

We hope that this law, once adopted, will create a reliable legal basis for resolving many problems in relations among employers, employees, and the state.

Esteemed representatives of the legislative power!

At the current stage of Ukraine's development, the question "Who will do it?" — not "What should be done?" — is becoming of key importance.

The famous [Leninist] concept that any cook can manage the state was tested twice in our history, in 1917 and 1991, and proved to be completely absurd.

Today, we should go back to the practice of attracting specialists, as well as to establish a system of training and re-training of government officials.

In particular, the Ukrainian president approved the "Program of Personnel Support for State Service" and the "Program of Work With Leaders of State Enterprises, Institutions, and Organizations."

We have opened the Ukrainian Academy of State Management, answerable to the Ukrainian president, and its Institute for Upgrading Qualifications. The Institute's departments were also set up in Odessa, Kharkov, and Lvov.

We, in many ways, can have a significant impact on the efficiency of their work if only because our legislative deputies closely communicate with their students. We would like this communication to be used not for demonstrating one's own political convictions and spreading party propaganda, but for jointly searching for ways and tools to build a civilized state.

Personnel policy — coupled with responsibility and professionalism — is a factor that will have profound effects on the efficiency of transformations and on our social progress. We must not keep making up for the lack of professionalism by beefing up state institutions and increasing the number of their employees.

We need competent institutions and competent people. This is the angle through which we need to conduct administrative reform in order to ensure the fullest possible realization of the executive power's potential, increase responsibility of senior officials at all levels, and attract professionals to state bodies who prepared to work in market economy conditions.

The Cabinet of Ministers has somewhat optimized its internal organization. Issues related to interaction between the presidential administration and the Ukrainian Cabinet of Ministers apparatus have been settled.

The issue of elevating the status and responsibility of ministries and ministers is next in line. What are we not satisfied with here?

In many cases, it is the passive approach to assessing situations in a particular industry, the lack of analysis of mistakes and a vision of specific ways to cope with the crisis, and the anonymity of criticism.

[We are also not satisfied with] the popular practices of appealing to the state [for help], and the spendthrift attitudes proved by the already habitual statements on the need to increase financial expenditures.

[It is also] the frequent lack of an analysis at lower industry levels of work performed, lack a comprehensive examination of positive changes, and a lack of searching for reserves or new approaches which take into consideration the present realities.

In our opinion, this and other facts show that some of the top-level industrial managers have a dull sense

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of responsibility and not a demanding enough attitude toward themselves and the apparatus, which perpetuates the dangerous feeling of temporality, and affects the organization of life of the entire country.

The Cabinet of Ministers has been instructed to examine the management style of specific ministers and state committee chairmen. After that, it will produce relevant conclusions and proposals.

One should admit that the task pertaining to the government's structure, which was put in last year's report [on Ukraine's internal and external policies], remains unresolved. A structure of the Cabinet of Ministers which could be approved by the Ukrainian president still does not exist. Very little has been done to reorient management from the branch principle to the functional one. Of course, this is a complicated task. But one could at least determine specific stages of this kind of work.

It is well-known that, above all, democracy means responsibility. And that is why in a free society, which respects and encourages diverse opinions, dissidence in power structures is inadmissible. I am saying this because on some issues members of the government allow themselves to take opposing positions after the corresponding decisions have been taken. Such freedom of thought, behind which lies mainly ambition, costs the country dearly, and we will not tolerate it any longer.

After all, the existence of several decisionmaking centers at the governmental level, especially on economic issues, affects the quality of long-term programs and disorientates those carrying out the decisions, to say nothing of the general public.

Generally speaking, I would like to emphasize: If an individual works in a government institution and does not agree with the state's course, he should go away and engage in politics — try to change something. But working in state structures and utilizing their capacity for spreading destructive criticism of the state or conducting a separate line to pursue his personal far-reaching interests is not only inadmissible, but also indecent.

Today, Ukraine and its nation need servants rather than prophets!

Dear compatriots!

Esteemed people's deputies!

We have made our choice and have determined the reference points of our development, and have in fact begun a large and difficult task.

And we now perhaps have our last, but most realistic chance to ensure the irreversibility of reforms in order to consolidate a worthy future for Ukraine and its people.

Our joint task, our joint responsibility is to make sure this path is travelled as speedily as possible and with as few losses as possible for society and every citizen. I believe that, together with all the people, we will fulfill with honor the noble mission of creating the state called Ukraine. Thank you for your attention.

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Belarus

Belarus: Chyhyr Interviewed on Outcome of CIS Summit

LD1304141096 Minsk Radio Minsk Network in Belarusian 1600 GMT 12 Apr 96

[FBIS Translated Text] A meeting of the heads of government of the CIS was held in Moscow today. Our special correspondent, Volga Yushkevich, is here with details:

[Yushkevich] Today's quick work by the prime ministers of CIS countries was almost sensational. The summit discussed and signed 33 documents almost within two hours. The prospective plan of CIS integration development in 1996-97 was undoubtedly the most important among them. The main emphasis in the plan lies on developing the mechanisms of economic integration. The heads of government also discussed the pursuing of a coordinated policy on transit of oil and oil products along main pipelines, the implementation of national programmes of state support for railways, the cooperation in solving problems of the handicapped, the provision of national agro-industrial complexes with agricultural machinery and a number of issues of military cooperation. The summit has confirmed a number of measures to mark the tenth anniversary of the Chernobyl accident.

At Vnukovo-2 airport before departing from Moscow, the prime minister of Belarus, Mikhail Chyhyr, shared his impressions with Belarusian journalists.

[Begin Chyhyr recording, in Russian] It does stand out that today's meeting was very short. This was not because few issues have been considered - quite a respectable number of issues have been considered. I must note that this was first of all due to the work of the International Economic Committee, which had coordinated all the points at the preliminary stage - the stage of drafting, - and therefore there were no unclear points during the meeting of heads of government and that has accelerated the discussion process.

I think that time is coming when each former republic, now a CIS member, understands that integration is essential and we reach understanding quicker than before. I can note that today, for example, there were virtually no remarks from Ukraine on draft documents. I must say that in principle all the states understand that integration processes help countries to survive in these hard times. It is also noteworthy that an exchange of information showed that all the negative processes in the economies of the republics which were there before have gradually stopped and there is a certain stabilization, i.e. a basis has been created to move forward. I must admit that [word indistinct] and a basis for forward movement lies in the deepening of integration processes. This was put well today by the Ukrainian delegation, headed by the prime minister. There are some shortcomings in our (?payment) relations - we have agreed to hold more detailed and specific negotiations.

To put it briefly, the integration process in the CIS, which had slowed down, is now gradually collecting momentum, as today's meeting proves. [end recording]

Belarus: Maltsaw: Treaty With Russia No Threat to Independence

LD1404200796 Minsk Radio Minsk Network in Belarusian 1620 GMT 14 Apr 96

[FBIS Translated Text] Last week there was a routine session of the Coordination Council of Officers' Assemblies of the republic's Armed Forces. Lieutenant General Leanid Maltsaw, defense minister, briefed members of the council on the essence of certain articles and, in general, on the agreement setting up the Community [of Sovereign States] signed in Moscow on 2 April, by the presidents of Belarus and Russia.

In the first place, the defense minister dwelled on those articles in the treaty concerning questions of maintaining the defense capability of the state, military construction, the activity of the Armed Forces, and social provisions and guarantees for servicemen. Maltsaw drew special attention of those present to the provision in the treaty saying that, with the aim of ensuring (?reliable) security, the sides will work out general principles of military construction and the use of elements of the military infrastructure. This is to be strictly in accordance with national legislation.

In this way, the defense minister said, the republic's Armed Forces were and remain the Armed Forces of an independent and sovereign state, subordinate to their commander in chief — the president — and acting within the Constitution and laws on defense and the Armed Forces and other legislative and enforceable enactments of the Belarusian state. Moreover, and here Leanid Maltsaw also drew the attention of council members, in accordance with the treaty, the members of the Community will keep their constitutions, territorial integrity, all of their state (?attributes), membership of the United Nations, and other international organizations and their status as independent subjects of international law. The treaty poses no threats to sovereignty and independence, the defense minister said.

At the end of his address, the minister of defense instructed members of the Coordination Council of Officers' Assemblies of the armed Forces to convey this information to all soldiers in the Belarusian army and also to explain to the officer corps [words indistinct] leadership of the Ministry of Defense the whole range of issues concerning the deepening of integration processes in the military sphere between Belarus and Russia.

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Kazakhstan

Kazakhstan: Nazarbayev Pleased With Kazah-U.S. Cooperation

LD1204193696 Moscow INTERFAX in English 1634 GMT 12 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Nursultan Nazarbayev said on Friday Kazakhstan was determined to stop being a chiefly raw material-producing country and "by increasing its export expansion strengthen its positions in the world market."

Addressing a meeting of a U.S.-Kazakh Council on Business Cooperation, Nazarbayev said the United States and Kazakhstan had signed 33 intergovernmental accords on cooperation in various fields.

In the past three years 22 large-scale projects have begun to be carried out, and $1.5 billion has been invested into Kazakhstan's oil and gas industry alone, he told the meeting, held in Almaty.

Currently 180 U.S. companies are operating in Kazakhstan, the president said, expressing the hope American business would step up its presence in his country.

"The funds that have been invested are already producing tangible results," he said. Oil output has grown by 23 percent since last year, and the sales of oil have gone up in volume by 50 percent.

All this has happened "in spite of the difficulties in the transport of Kazakhstan oil," Nazarbayev said.

He said he hoped the transport problems would be definitively solved this month.

Speaking at the same meeting, Cooperation Council Honorary Chairman James Baker expressed optimism about Kazakhstan's economic potential. He said U.S. business was very interested in the Central Asian republic.

He said "the lion's share" of U.S. companies working in Kazakhstan were engaged in the energy field. However, several industrial and service firms also planned to increase their involvement in the country, he said.

He promised his assistance in developing business ties between the two countries.

Kazakhstan: Lukoil Bails Out Saudi-Kazakh Banking Venture

LD1304130496 Almaty DELOVAYA NEDELYA in Russian 5 Apr 96 pp 1,2

[FBIS Translated Text] You cannot but rejoice at the ability of our banking system to set every possible precedent, giving food for thought to journalists, who like news. But the one surprising thing is that we always see the same "heroes" in the permanently germinating and on-going stories from the Kazakh banking world. Hardly has the story of the rescue of the Al-Baraka Kazakhstan Bank faded from journalists' memories when the same bank — to all appearances — comes up with another intrigue for the mass media.

Six weeks ago, a curious transaction took place at the joint [Saudi-Kazakh] Al-Baraka Kazakhstan Bank. LUKoil Kazakhstan — part of the Russian LUKoil holding — and the Canadian MDMT Group Inc., bought 50 percent of the bank's shares, which used to belong to the Dallakh Al-Baraka Holding Corporation group and Shaykh Salih Kamil (Saudi Arabia). The bank's new administration sent documents to the National Bank for reregistration a week ago. As soon as they are registered properly, the shareholders will rename it the Zhomart bank.

It should be pointed out right away that all those involved in the deal preferred not to attract particular attention to these serious changes. You can well understand how the Arabs might feel in this situation, not wanting to advertise their own failure, but the modesty of the new shareholders looks a bit strange, because LUKoil really has "bailed out" the bank, which has been sinking to the bottom slowly, but surely over the last six months.

According to the official version, whose author turned out to be the National Bank, the problems of the Al-Baraka Kazakhstan Bank emerged because of a lack of coordination between its Arabian and Kazakh shareholders, who, having hastily divided shares 50-50, were unable to agree on banking policy. When disagreement reached a critical point in October, the National Bank decided to intervene for the general good. And we must emphasize here that the National Bank stressed more than once that the Arab shareholders had persistently asked it to do so. Then the republic's main bank, after "closing it down temporarily," gave the Arabs time to "find their position" and go for a peaceful settlement. But the rescue program did not transform the caterpillar into a butterfly. According to its new owners, the bank finished 1995 with profits (unlike in the loss-making year 1994, for example), but its financial indicators said something very different from the actual situation. Moreover, its Kazakh founders saw the National Bank's actions from the standpoint of the Romans' ancient formula: if you like peace, be ready to fight. Almost right away there appeared behind the scenes of military action new players — LUKoil and the Canadians. The new shareholders got the bank, and were quite happy with this: they are not going to chase

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their predecessors. In the opinion of the bank's chairman Vladimir Nikitenko, who assumed office recently, the previous shareholders simply did not understand the state of affairs on the Kazakh market and were unable to find a happy medium between Islamic law, which prohibits money-lending, and the pressing necessity to give credits at high interest to keep afloat. And the celebrated issue of macroeconomic stabilization, which ended the widespread system of "cheap" money, played a fatal role here.

The new shareholders proposed their idea of how the bank should function. By the way, they are a subject in themselves. The name of the MDMT Group Inc. does not mean anything yet either to the ordinary Kazakh businessman or to the Kazakh journalist, who gets everywhere. Unfortunately, the name did not mean anything to staff at the Canadian Embassy, either. But as for LUKoil, let it be (or even be) with a Kazakh label, all of them have very specific associations: oil and big money. The same Kazakh partners remained: the Karkara international trade house and the Kazakh republican association for assistance under the United Nations. Moreover, judging by the fact that the new board chairman could not remember right away the precise names of these shareholders, they have prepared roles for the second or third plan. True, the shares have not been defined for sure yet. According to Mr. Nikitenko, the authorised capital, amounting so far to $3.6 million, is moving now. In addition, there are some options for increasing it (possibly at the expense of regular emission of shares). However, the bank is not going to increase the number of its shareholders.

One thing is clear: LUKoil needed a Kazakh bank which was sufficiently well-known and, preferably, which was in need of a partner without any bad habits — in general, which would be cheap, but with good taste. And LUKoil got it; moreover, without any particular problems. According to the president of the LUKoil Kazakhstan joint-stock company, Nigmat Imamniyazov, his company was practically the bank's only big client. Presumably, therefore, it thought who, if not we, can save the bank from inevitable (in LUKoil's view) liquidation?

As for the activity of the new Zhomart Bank, Mr. Nikitenko and Mr. Imamniyazov make no secret of the fact that the main trend of its activity will be to serve LUKoil programs, Kazakhstan's and Russia's. In short, a pocket bank is being created, though the pocket belongs to the LUKoil monster. To this end, even a new board chairman was sent from Russia, Mr. Nikitenko. Before this he was chairman of the board of the Surgut AKKO-Bank. As for Surgut, it is an oil region.

And what is more, originally, the LUKoilers intended to convert the Al-Baraka Bank into a subsidiary of the Russian Imperial bank. Its relations with the holding are simple: when we say Imperial, we imply LUKoil [based on poem by Mayakovskiy] and vice versa. However, this alluring idea was not realized. LUKoil probably needed precisely an independent bank in order to formally challenge the accusation of financial expansion of our republic [as published]. Although it is not excluded that the National bank, opposed this, not officially, but firmly enough, in the belief (presumably not unfounded) that if you give Russian banks an inch, they will take a mile.

At any rate, LUKoil, hoping to become an operator in the Caspian Pipeline Consortium project, with an eye on Kaspiyshelf [Kazakhstan Caspian Shelf company] and the other mass of projects "stirring" in Kazakhstan, feels very confident in its role of oil messiah and is gathering together a few apostles, among this bank too.

Tajikistan

Tajikistan: Presidential Decree on Combating Illegal Drugs Trade

LD1304084796 Dushanbe KHOVAR in Russian 1100 GMT 12 Apr 96

["Decree by the President of the Republic of Tajikistan On Urgent Measures to Strengthen the Fight Against the Illegal Drug Trade"]

[FBIS Translated Text] Because of the increase in the flow of drugs entering the republic from foreign countries via the Tajik-Afghan border, the rise in production and use of narcotic substances in the republic, and the use of the transport routes of the Republic of Tajikistan as a transit channel to deliver drugs to other countries, I hereby decree:

1. In accordance with the main provisions of the United Nations Drugs Control Program [UNDCP], and with the aim of coordinating the fight against drugs, to set up a State Drugs Control Commission of the Republic of Tajikistan.

The government of the Republic of Tajikistan is to work out and confirm within a month the regulations of the State Drugs Control Commission, its structure and a state national program to combat the illegal drug trade for 1996-98.

2. The Ministry of Justice of the Republic of Tajikistan, the Ministry of Internal Affairs of the Republic of Tajikistan, the Security Ministry of the Republic of Tajikistan, the Ministry of Health of the Republic of Tajikistan, the Prosecutor-General's Office of the

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Republic of Tajikistan, and the Customs Committee at the government of the Republic of Tajikistan are to submit by 1 June 1996 to the government of the Republic of Tajikistan draft laws of the Republic of Tajikistan "On Drugs" and "On Forced Treatment of Chronic Alcoholics and Drug Addicts", draft criminal, civil and legal procedural codes of the Republic of Tajikistan and a draft code of the Republic of Tajikistan on administrative infringements.

3. To resolve that the Security Ministry of the Republic of Tajikistan is to coordinate the work of the law-enforcement organizations of the Republic of Tajikistan in the fight against the illegal drug trade on the border and in the border zone and, together with the Group of Border Troops of the Russian Federation stationed in the Republic of Tajikistan and the Customs Committee at the government of the Republic of Tajikistan, guided by the legislation of the Republic of Tajikistan and international agreements, and in accordance with the status of the Border Troops of the Russian Federation in Tajikistan, to sever the channels of the trade and transit of illegal drugs.

After coordination with the Security Ministry of the Republic of Tajikistan, to permit the participation of the appropriate subunits of the Group of Border troops of the Russian Federation stationed in the Republic of Tajikistan in special operations to combat the illegal drug trade.

4. The Customs Committee of the government of the Republic of Tajikistan, together with the Security Ministry of the Republic of Tajikistan and the Group of Border Troops of the Russian Federation stationed in Tajikistan, is to ensure within a month the establishment of joint posts in the border zone and customs control on the territory of the Gorno-Badakhshan Autonomous Region, to define the number of personnel at them, and to solve issues of their material and technical provision, as well as to plan the establishment of analogous posts at points of possible drugs transit.

5. The Customs Committee of the Republic of Tajikistan together with the Tajikiston State Airline of the Republic of Tajikistan, Tajik Railways, the administrations of regions, the city of Dushanbe, districts and towns on the territory of which there are customs zones, is to take additional measures to strengthen customs offices and equip them with modern technical facilities.

6. On the basis of the data presented by the Security Ministry of the Republic of Tajikistan, the Customs Committee of the government of the Republic of Tajikistan, the Group of Border Troops of the Russian Federation stationed in the Republic of Tajikistan, the government of the Republic of Tajikistan is to define points to establish additional border posts on the routes of possible drugs transit, and to provide for their material and technical provision and staffing.

7. The chairman of the Gorno-Badakhshan Autonomous Region is to render assistance and support the Security Ministry and the Group of Border Troops of the Russian Federation stationed in Tajikistan in establishing additional border posts on the routes of illegal drugs transit.

8. To permit the law-enforcement organizations of the Republic of Tajikistan to hand over in the order established by the government of the Republic of Tajikistan to the Ministry of Health of the Republic of Tajikistan narcotic substances and preparations confiscated from the illegal trade.

The Ministry of Health of the Republic of Tajikistan, together with the Ministry of Justice of the Republic of Tajikistan, the Ministry of Internal Affairs of the Republic of Tajikistan, the Security Ministry of the Republic of Tajikistan, the Prosecutor-General's Office of the Republic of Tajikistan, the Customs Committee of the government of the Republic of Tajikistan and, after co-ordination with the Group of Border Troops of the Russian Federation, within a month is to work out and submit to the government of the Republic of Tajikistan procedures for handing over to health organizations the confiscated narcotic substances and for organizing production of medicines of vital importance meeting international standards.

9. The Ministry of Health of the Republic of Tajikistan is to set up a republican hospital for treating drug addicts, to restore the service for dealing with drug addiction, strengthen their material and technical basis and replenish them with experienced personnel.

Together with the Academy of Sciences of the Republic of Tajikistan, to work out recommendations for medical practice, carry out work to create new agents for curing drug addiction and substances for destroying plants containing narcotic substances.

10. With the aim of training and retraining personnel to combat the spread of drugs, the Ministry of Internal Affairs of the Republic of Tajikistan is to plan the specialization of students at the ministry's Higher School and other training centres, the expansion of the material and technical basis at expert subunits, and their strengthening with qualified personnel.

11. The Ministry of Internal Affairs of the Republic of Tajikistan, the Security Ministry of the Republic of Tajikistan, and the Customs Committee of the government of the Republic of Tajikistan, on the basis of the unified guard dog nursery of the Ministry of Internal Affairs of the Republic of Tajikistan, and on the

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analogous basis of the Group of Border Troops of the Russian Federation, and after co-ordination with them, are to prepare specialist dog-breeders, guard dogs and bloodhounds to be used in combating the illegal drug trade.

12. The Ministry of Internal Affairs of the Republic of Tajikistan, the Security Ministry of the Republic of Tajikistan, the Prosecutor-General's Office of the Republic of Tajikistan, and the Customs Committee of the government of the Republic of Tajikistan are by 1 June 1996 to prepare, after coordination with relevant organizations of the Republic of Kyrgyzstan, the Republic of Uzbekistan and the Russian Federation, interdepartmental agreements for interaction and cooperation in the fight against the illegal drugs trade.

13. The Ministry of Foreign Affairs of the Republic of Tajikistan, together with the Ministry of Justice of the Republic of Tajikistan, is to prepare proposals for the Republic of Tajikistan to join international treaties, agreements and conventions related to organizing the fight against the illegal drugs trade.

14. The Ministry of Foreign Affairs of the Republic of Tajikistan is to submit to the UNDCP a proposal to adopt a regional program for controlling the illegal drugs trade in the Central Asian states.

15. The Prosecutor-General's Office of the Republic of Tajikistan is to strengthen control over observation of the republic's legislation concerning accountability for sale and use of drugs, and securing the timely uncovering and investigation of related criminal cases.

16. To propose that the Supreme Court of the Republic of Tajikistan ensure effective control over timely consideration by courts of criminal cases related to the illegal drugs trade, and the correspondence of the sentence to the gravity of the crime committed, and to carry out assizes and open court sessions more often in drug-related cases.

17. The Ministry of Culture and Information of the Republic of Tajikistan is through the media to give broad coverage to the measures to fight the drugs trade being taken by the government of the Republic of Tajikistan, courts, law-enforcement organizations, local authorities and the public, and to plan publication of books, brochures and films about the harmfulness of drug and alcohol addiction.

18. The Security Ministry of the Republic of Tajikistan, the Ministry of Internal Affairs of the Republic of Tajikistan and the Customs Committee of the government of the Republic of Tajikistan, in cooperation with the Ministry of Culture and Information of the Republic of Tajikistan, are to strengthen work to prevent the spread in the Republic of Tajikistan of materials propagandizing the cult of violence, cruelty and drug addiction.

19. The Ministry of Finance of the Republic of Tajikistan is to ensure the funding of the measures to be taken in order to implement the present decree.

20. The State Drugs Control Commission of the Republic of Tajikistan Control is to be in charge of supervising implementation of the decree.

[Signed] President of the Republic of Tajikistan E. Rakhmanov, Dushanbe, 12 April 1996

Uzbekistan

Uzbekistan: Karimov Criticizes Integration Accords

LD1304172296 Tashkent NARODNOYE SLOVO in Russian 13 Apr 96 pp 1, 2

[Address by Uzbek President Islam Karimov to the diplomatic corps and journalists in Tashkent on 12 April: "The people of Uzbekistan will not turn from their chosen path"]

[FBIS Translated Excerpt] Dear heads of diplomatic missions, leaders of international organizations, representatives of the mass media, ladies and gentlemen:

I am very pleased to see you, and that you are supporting this, our regular meeting. [passage omitted]

Enough time has already passed since the noisy Russian State Duma resolution and the signing of the Agreement of the Four (Russia, Kazakhstan, Kyrgyzstan, and Belarus) [Karimov uses the Soviet-style Russian names — Kirgiziya and Belorussiya — throughout the address, as opposed to the usual Uzbek official practice of using the names Kyrgyzstan and Belarus] and the Agreement of Two (Russia and Belarus).

The attitudes of the inhabitants of Uzbekistan toward these so-called integration processes in the post-Soviet area are still being set out on the pages of our press and on television today.

We have every reason to say that an absolute majority of the public opinion and population of Uzbekistan supports the position of the leadership of Uzbekistan towards these processes and signed documents, as stated earlier. [passage omitted]

Each state and its leaders have the right to take part in and sign any documents and inter-state agreements, on the basis of their own interests.

However, in this case the question has been put thus: Are these documents and agreements acceptable to Uzbekistan, and can Uzbekistan sign up for these

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agreements or not? More and more we are insistently invited to sign these agreements to create these so-called communities or unions of integrated states. Sometimes they make the decision on our behalf as to whether it would be profitable for Uzbekistan or not.

On this subject I would like to say that such unions and communities are categorically unacceptable to Uzbekistan. [passage omitted]

The first argument [for integration] is that the CIS in its current form does not meet requirements (but whose?), that this amorphous creation decides nothing, and that the decisions it does make are in practice not carried out.

There is some point to these arguments.

However, instead of finding mechanisms to implement the decisions within the CIS framework, developing bilateral relations between states, and making them specific in content, we seem to give in to nostalgia for olden times. [passage omitted]

They think for some reason that any inter-state association must have supra-state structures: parliamentary, legislative, executive - a coordinating or higher council, an executive or administrative committee with a full phalanx of officials, unified military-political structures, etc.

It is no coincidence, if you follow the agendas of the last few meetings of the heads of state, of government, and of other CIS structures, that a trend has clearly emerged to replace the growing problems of economic and social integration with military-political questions, with talk about forming unified commands, joint defense of borders, etc. There is a certain trend at work here.

However, it should be clear to all that when, within these created communities, supra-state structures are formed which are given the right to make decisions on direct action obligatory to all bodies and organizations, over the heads of the respective legitimate bodies of each individual member-country of the agreement, in this case, it would be difficult to call these states sovereign and independent.

It would not be the Commonwealth of Independent States (CIS) in that case. This Commonwealth would them have to be called the Community of Dependent States, in which each state would have to surrender part of its independence and sovereignty. [passage omitted]

And another thing, nobody is stopping us from deepening economic and financial integration, deciding a civilized payments system, and removing barriers to social integration within the framework of the ratified CIS Statute (which, by the way, they are trying not to mention or refer to). This would not involve signing agreements of a mainly geopolitical character, either. [passage omitted]

This is a deliberate attempt to mislead people as to the true reasons for the crisis which has shaken the whole post-Soviet area.

It is clear to all thinking people now that the main reason for the crisis in the economy of the states in the post-Soviet area is the collapse of the exhausted ideology of the totalitarian, administrative-command, centralized-order system, and the movement to the new market relations and free economy by which the whole world lives today. [passage omitted]

They cannot adapt to the new conditions, they cannot find markets for their output, and they do not have the funds to maintain or develop their production. For example, the textile industry enterprises of the Ivanovo Region of Russia, which were traditionally linked to raw materials from Uzbekistan, are now standing idle because they do not have the funds to buy cotton fiber.

It is worth recalling at this point that the cotton fiber supplied in 1995 from Uzbekistan to the Ivanovo textile industry was mainly re-exported beyond Russia's borders, that is, to put it simply, certain circles in Russia made big money out of this operation, as the newspaper IZVESTIYA reported. [passage omitted]

What role would Uzbekistan and the other republics of Central Asia be allocated? Above all this would be the role of a raw- materials supplier, basically of labor-intensive cultures like cotton, with which it not only practically supplied the Soviet Union, but the entire socialist camp. [passage omitted]

In the European Union, the majority of countries have roughly equal, sufficiently high economic potential. There are no states that could be said to have obvious advantages in terms of their development. There is no need to emphasize that in the CIS, Russia is a superpower, which in terms of its scale and potential dominates and surpasses all the other states of the CIS several times over.

Bearing in mind our technical and economic backwardness, and our obviously obsolete and uncompetitive technology and basic stocks, any attempt to lock us within the borders of the former USSR in various unions is nothing less than a policy of condemning oneself to vegetate in the backyard of the world economy, for the sake of ideological stereotypes from the past. The future generation would not forgive us for that. [passage omitted]

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We in Uzbekistan understand that only the people of Russia can decide whom to elect as president, and who will determine the fate and policy of the great country that is Russia.

However, we are not indifferent to this choice, because much in the fate of the CIS states, and indeed Europe and the whole world, depends on Russia's political course, on which path and under whose leadership it will proceed.

It is precisely this consideration that motivates us when we speak of our interest in the democratic development and flourishing of Russia, and of our support for the presidential candidacy of B. Yeltsin.

It is not a question of whether we like him or not, but that only B. Yeltsin can prevent a return to the past and move Russia's reforms forward. [passage omitted]

As for the agreement between Russia and Belarus, and between Russia, Belarus, Kazakhstan and Kyrgyzstan, I would like to emphasize once more that the signing of these agreements and their implementation is above all an internal matter of these same states. Each state decides its own fate and potential itself. Nobody has the right to interfere in this process, as this process is voluntary.

For that very reason, and in the light of our understanding of integration processes and cooperation, the unacceptable nature for us of any bloc-mentality inter-state approaches and limitations on free cooperation with all interested states of good will, Uzbekistan cannot join these agreements. [passage omitted]

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Azerbaijan

Azerbaijan: Aliyev, Guliyev Receive Georgian Parliamentary Delegation

NC1204202796 Baku Radio Baku Network in Azeri 1700 GMT 12 Apr 96

[FBIS Translated Text] Azerbaijani President Geydar Aliyev today received the visiting Georgian parliamentary delegation headed by Zurab Zhvania, chairman of the Georgian Parliament.

Aliyev said: The Azerbaijani and Georgian people are linked by centuries-long ties of friendship and good-neighborly relations. The aim of my recent visit to fraternal Georgia was to develop ties of friendship and cooperation between the two independent nations. Similarly, the first visit of the Georgian parliamentary delegation to Azerbaijan is important for the same reason.

The Azerbaijani president expressed the hope that this friendship, the good-neighborliness, and the mutually beneficial cooperation will continue to develop and will deepen.

Parliament Chairman Zhvania said that, during the visit, the delegation got acquainted with the life of the Azerbaijani people. Stressing the importance of President Aliyev's visit to Georgia, Zhvania said that visit opened new horizons for the development of the ties between our republics.

A number of other issues relating to bilateral cooperation were also discussed during the meeting.

National Assembly Chairman Rasul Guliyev also received the fraternal Georgian parliamentary delegation. Matters relating to Azerbaijani-Georgian relations — including the development of ties in the energy, transportation, and agricultural sectors — constituted the essence of the talks.

It was noted that the customs regime [between the two countries] should be simplified. The two sides agreed that it would be desirable to set up a special [words indistinct] group to look into this matter. Noting that Azerbaijan has strong (?cadre) potential, Zhvania expressed the hope that Azerbaijan will help train Georgian (?customs) specialists. The Azerbaijani side replied positively to this request.

Talking about the [word indistinct] problems facing the two independent countries, National Assembly Chairman Guliyev expressed the conviction that these problems will be solved through joint efforts.

Zhvania also addressed the National Assembly today. In his speech, he touched on the longstanding ties of friendship between Azerbaijan and Georgia and stressed the need to further multi-faceted cooperation.

Azerbaijan: Parliamentary Accord With Georgia; Guliyev on Mutalibov

NC1304170496 Baku TURAN in English 0100 GMT 13 Apr 96

[FBIS Transcribed Text] Baku/13.04.96/TURAN — Today Parliaments of Azerbaijan and Georgia signed the agreement on cooperation. It was signed by speakers of both Parliaments, Rasul Guliyev and Zurab Zhvania.

Before the ceremony of signing there was the meeting of speakers with the representatives of business circles of both countries. Zurab Zhvania said favourable climate for business development was created in Georgia. In particular, there are customs and fiscal privileges for foreign businessmen. He called on Azerbaijan's business circles to participate actively in economic cooperation with Georgia. He called economic and political stabilization in Georgia favourable factors. He stressed the necessity of unification of railroad communications of both countries. In particular it has been stressed that carrying capacity of Azerbaijani-Georgian railroad can be increased from 10 million tons to 50 million tons annually. As of today 1 mln. cargoes are transported through this railroad annually. Due to this fact Rasul Guliyev noted that it is necessary to use possibilities of foreign investors for revival of the railroad as well as actively use this communication between the East and West. Zhvania said during the visit to Georgia Turkey's President, Suleyman Demirel, supported construction of railroad string from Georgia to Turkey to the city Kars. Zhvania noted that Azerbaijan can also take part in construction of this string.

Touching upon the Caucasian Declaration, the sides noted that it is opened for signing by other states of the region as well. In particular, by Armenia, Iran and Russia. Guliyev said Turkey has already expressed support for Declaration.

Zhvania said all countries are interested in peace and stability on the Caucasus are. [sentence as received] If they will come from their national interests, they will join the Declaration in the near future.

The Georgian speaker said the commission for integration and drawing nearer legislative basis of both countries will be created within the framework of the agreement on Parliamentary cooperation.

The situation of Azeris in Georgia has been also touched upon. Since early 1990 there has been negative situation in Georgia in this sphere and due to incorrect national policy of previous Georgia's Government Azeris started

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to leave Georgia. Zvania said that today the problems are being settled and Azeris left Georgia can come back. The Georgian side will actively take up this problem.

Asked by journalists about arrest of Ayaz Mutalibov in Moscow, Rasul Guliyev said that on the basis of current legal agreement the Russian side must extradite Mutalibov. "Each criminal must be extradited by demands and requests of the other side. Russia is serious state and we hope that it will observe the agreement it signed", he said. Guliyev mentioned that if Mutalibov is not extradited, it will be the reason for different interpretations. And nobody will understand that.

Azerbaijan: Aliyev: 'No Doubt' Mutalibov To Be Extradited

NC1404204396 Baku TURAN in English 0548 GMT 14 Apr 96

[FBIS Transcribed Text] Baku/14.04.96/TURAN— "Ayaz Mutalibov was detained by police of Moscow during mean actions. There is no doubt that he will be extradited to Azerbaijan and will be brought to trial for his crimes," President Geydar Aliyev told journalists today at the airport during meeting the Turkish Premier Mesut Yilmaz.

Azerbaijan: Aliyev Receives Turkey's Mesut Yilmaz

NC1404204596 Baku TURAN in English 0548 GMT 14 Apr 96

[FBIS Transcribed Text] Baku/14.04.96/TURAN— Today President Geydar Aliyev received Prime Minister of Turkey Mesut Yilmaz.

"We should strengthen more fraternal relations with Turkey," Geydar Aliyev said greeting the guest. He expressed satisfaction with the fact that the first visit abroad by the Turkish Prime Minister was paid to Azerbaijan. Aliyev reminded that it was the government headed by Mesut Yilmaz in 1991 which first recognised the independence of Azerbaijan. "Independence is the greatest achievement of Azerbaijan, though we had to pay for it by occupation of part of our territory and as a result we have million refugees. We rely on support and moral assistance of Turkey in our fight for liberation of the occupied territories. We feel this support in case of resolution of the Armenian-Azeri conflict," Geydar Aliyev noted.

Mesut Yilmaz said, in turn, he remembered with a special proud the fact that just his government recognised independence of Azerbaijan. "Presence of such a great political figure as Geydar Aliyev gives a rare chance not only to Azerbaijan but to the whole Caucasus to follow the way independence," Turkish Prime Minister said. According to him, oil contract gives Azerbaijan a chance to strengthen its economy and to weaken dependence on other states. Mesut Yilmaz highly appreciated parliamentary elections in Azerbaijan. "You country has all opportunities to become a sample for other states of the region," he said.

Mesut Yilmaz emphasised the position of Azerbaijan in the question of guard of the CIS's external frontiers. "We think that position of Baku in this question is an important factor of independence of Azerbaijan," the Turkish Premier noted.

Turkey attaches great importance to the agreement to be signed April 22 between Azerbaijan and European Council. "We hope it will promote strengthening of economic potential and independence of your country, as well as integration into European structures," Yilmaz said.

Speaking about bilateral relations, Yilmaz pointed out the oil producing and oil processing branches, oil transportation and joint projects in the sphere of telecommunications and communication.

"At present Azerbaijan is under blockade, but Turkey will do its best to weaken this blockade. We work over implementation of the project for construction of rail way from Kars (Turkey) to Tbilisi. Functioning of this route will allow Azerbaijan to become a bridge not only between Central Asia and Turkey but the Europe as well," Yilmaz said.

Turkish premier touched on the question on military co-operation. "We are ready to provide all kind of assistance in case of modernisation of the Azeri army so that it meet the international standards," he noted.

Concerning the Armenian-Azeri conflict, Yilmaz said that he appreciated peaceful efforts within the frameworks of the OSCE Minsk group and was ready to discuss the question on presenting its military contingent for formation of international peacekeeping forces.

Then the meeting was held behind the closed doors.

Azerbaijan: President Aliyev, Turkish Premier Hold Talks

LD1404205596 Moscow ITAR-TASS in English 2020 GMT 14 Apr 96

[By Sevindzh Abdullayeva, Viktor Shulman]

[FBIS Transcribed Text] BAKU, April 14 (Itar-Tass) — Turkish Prime Minister Mesut Yilmaz, on a brief official visit in Azerbaijan, today met Azeri President Geydar Aliyev.

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Their talk centred on bilateral relations, including economic cooperation.

Aliyev said Azerbaijan welcomes new investment in its economy and promised comfortable conditions for Turkish business in his country.

Yilmaz on his part said the two states' contacts in the energy sector should be extended over communications, industry, agriculture and involve third countries.

Yilmaz highly appraised the oil contract which Azerbaijan struck in September of 1994 with an international consortium of companies, saying that Turkey wants the Baku-Supsa oil pipeline to have extensions. The oil pipeline is to traverse Georgia to go the the Black Sea coast as far as Jeyhan terminals.

Aliyev and Yilmaz discussed Azerbaijan's conflict with its breakaway enclave of Nagorno-Karabakh. They agreed that the settlement talks should continue within the frame of the Minsk Group with mediation by other states.

The talk was concluded by signing a joint statement of the two states' readiness for broader contacts.

Georgia

Georgia: Defense Minister Comments on CIS Meeting in Moscow

LD1304172896 Tbilisi First Program Television Network in Georgian 1500 GMT 13 Apr 96

[FBIS Translated Excerpt] A meeting of CIS heads of government was held in Moscow on 12 April. The Georgian delegation, which was led by Minister of State Niko Lekishvili, returned to Tbilisi late last night. Here is our report on the meeting.

The meeting of CIS heads of government approved 33 documents, including a plan for the integrational development of CIS countries in 1996-1997 and a program for joint action against organized crime, especially serious and economic crime. [passage omitted]

As regards the military sphere, documents were approved on the creation and development of a joint air-defense system and the allocation of the necessary funds for Georgia to restore this system.

Georgian Defense Minister Vardiko Nadibaidze had this to say about that document:

[Begin Nadibaidze recording, in Russian] The new joint air-defense system has been in operation for a year, and we have already started carrying out alert duty in Georgia. We have not had enough funds to restore all the equipment and cover the whole of Georgian airspace. This document gives us a great opportunity to restore the entire air-defense system more quickly on a mutually beneficial basis. When I say a mutually beneficial basis, I mean coordination with Russia in protecting our airspace. Russia has allocated 10 billion rubles for the restoration of Georgia's air-defense system, as well as some very precious equipment, which will be delivered in the near future. I think that by the end of the year, our entire air-defense system will be fully operational. This is the most important thing. [end recording]

Georgia did not sign some of the agreements examined at the meeting of CIS heads of government. It was said that in every specific example Georgia would act in accordance with its Constitution. Since the Georgian Constitution has no mention of the term outer border and the use of military force in international operations is impermissible without the sanction of the country's parliament, Georgia did not sign two agreements: on joint action by the border troops of CIS member states in the event of a crisis and on the exchange of information on the protection of outer borders. [passage omitted]

Georgia: Shevardnadze, Lithuanian President Give News Conference

LD1204134096 Tbilisi BGI in Russian 1100 GMT 12 Apr 96

[FBIS Translated Text] [No dateline as received] — Georgian President Eduard Shevardnadze and Lithuanian President Algirdas Brazauskas gave a news conference on 12 April. A BGI correspondent, Inga Dadiani, filed this report:

Lithuania and Georgia were to sign 11 documents today. So far, only seven have been signed — a declaration on cooperation and six agreements. They are:

a. Agreement on trade and economic cooperation;

b. Agreement on cooperation in the field of customs;
c. Agreement on cooperation in the field of sport and tourism;
d. Agreement on cooperation in airlines connection;
e. Agreement on cooperation in the field of railway transport; and
f. Agreement on cooperation in international auto cargo shipments.

[Brazauskas] This is the first visit by the Lithuanian president to Georgia, but this is a meeting between the two people who have known each other for a long time. The ways in which our states are developing are similar. Eduard Shevardnadze and I have discussed our internal affairs and signed seven documents. Our relations have assumed a legal basis. Shevardnadze has accepted an invitation to visit Lithuania and we will continue our

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dialogue there. New documents are expected to be signed there.

[Shevardnadze] Brazauskas is the man for whom I have high respect. I especially remember the 1980's — the time when we were both taking our exam in politics. I remember "comrade" Brazauskas who then was at the helm of Lithuania. I was supporting those who were carrying out a policy of independence. [end Shevardnadze]

Eduard Shevardnadze stressed that this was a dialogue of two independent states, the states which were trying to coexist in the Euro-Asian space. This was a dialogue between the two men who truly shared each other's opinions and who had gone up a difficult route with their people.

[Eduard Shevardnadze] We have expressed readiness that Georgia is ready to integrate into European processes. Lithuania has already traveled this route and we would like to share its experience. We have discussed the situation in the Caucasus and noted that the situation is complex, but not hopeless. We have discussed in detail internal problems of Lithuania and Georgia. Among the documents that we have signed the declaration on widening cooperation is the key one — as in the declaration we have agreed on the key principles in our relations. I have accepted an invitation to visit Lithuania. [end Shevardnadze]

Then questions followed.

[BGI] What is the Lithuanian president's attitude to Georgia's aspiration to integrate in European structures?

[Brazauskas] I do not quite see what you mean. The more states cooperate on all of the continents, the better. A country, irrespective of its structure, will not be able to survive without close cooperation with other countries.

[BGI] What is your view on Lithuania's aspiration to cooperate with NATO?

[Shevardnadze] It is not only Lithuania that is aspiring to that. Other European states also have similar aspirations. This is not surprising. I have recently said in Moscow that one must not force the processes that may complicate the situation. One must not restore what has already been done with. The processes of integration with NATO are inevitable.

[BGI] What is your attitude to strengthening the CIS?

[Brazauskas] Lithuania has determined its path clearly — integration in European structures and NATO. The former Soviet countries have formed a wrong view on NATO. NATO is not a super military union but a system of collective security. Lithuania has no alternative in this matter.

[BGI] How do you view the unification of Belarus with Russia?

[Brazauskas] The future will show what Belarus will get out of it. The aim of the agreement is clear. The document shows what Belarus will get, but I will refrain from making a political assessment. We will see if this will influence Lithuania. We have normal relations with all states and we are trying to retain them.

[Shevardnadze] The world public has even expressed on paper its alarm over the decision by the Russian State Duma. If a forceful widening of NATO is discussed, then this will be caused by the Russian State Duma's decision.

[BGI] How do you view Yeltsin's statement on his intention to create a transport corridor between Belarus and Kaliningrad Territory across Poland bypassing Lithuania?

[Brazauskas] The Polish president and I did discuss this issue during his visit to Lithuania. Yeltsin's statement has caused an unequivocal reaction both in Poland and Lithuania — creating such a corridor is out of the question. We must use the already existing communications, the ones that have already been created. It is not clear why Russia is discontent with the transit across Lithuania as Yeltsin has not given grounds for his statement.

[BGI] Is there a difference in relations between Russia and Belarus and Russia and Georgia? Does Georgia consider Russia a guarantor for stability in the region?

[Shevardnadze] These relations are totally different. Georgia was and remains to be a sovereign state. I would not call Russia a guarantor for stability simply because threat emanates from Russia. Georgia is a member of the CIS and we abide by the viewpoint of collective security. But the decisions, similar to the recent ones by the State Duma, may have negative aftermath for both Russia and Georgia.

[BGI] What is Lithuania's attitude to a collective security of the CIS? Has Lithuania gained or lost anything by refusing to join the CIS?

[Brazauskas] The question of the CIS membership has never been discussed in Lithuania. We are a European state and we had been forced into the USSR. The attempt to denounce the Belovezhskaya [Pushcha] agreement does not apply to Lithuania in any way. Lithuania had been an independent state before it became a part of the USSR. There is an article in the Lithuanian Constitution forbidding Lithuania to become

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a member of a union with the former republics of the USSR. Lithuania has not lost anything by refusing to join the CIS but gained membership to international organizations. We are a member of the Council of Europe and an associate member of the EU. We have definite security guarantees that will protect us from the similar decisions by the Russian State Duma.

Georgia: Georgia Seeks Turkish Finance For Oil Pipeline

LD1204205696 Moscow INTERFAX in English 1950 GMT 12 Apr 96

[FBIS Transcribed Text] BAKU, April 12 (PIA-Interfax) — Georgia favors most active participation by Turkey in financing the construction of a "western" pipeline, by which early oil from the Azerbaijani offshore oil fields of Azeri, Chirag and Gyuneshli would be transported to Georgian Black Sea ports, Giorgi Chanturia, head of the Georgian International Oil Corporation and Georgian ambassador to Azerbaijan, told journalists in Baku Friday.

However, he said that so far all the project's participants are not satisfied with the conditions put forward by the Turkish side, including its demand that transportation of early oil through Georgia be limited to 6 million tonnes a year, and that the pipeline's utilization be guaranteed.

Another condition set by Ankara is the construction of an oil pipeline from Azerbaijan to the Turkish Mediterranean coast to transport the main oil from the Azerbaijani oil fields.

During a recent visit by Georgian President Eduard Shevardnadze to Ankara, the Turkish government confirmed its intention to finance the construction of the "western" pipeline, Chanturia said.

Now Turkey offers "more liberal" conditions, Chanturia said without elaborating. The sides are currently searching for compromises which will be specified in April, he said.

The decision to transport early oil from Azeri, Chirag and Gyuneshli (32 million tonnes over seven years) by two pipelines, through Russia (a "northern" pipeline) and Georgia (a "western" pipeline), was taken last autumn by a consortium set up to develop the oil fields. International experts estimate investments in the Russian pipeline at $55 million.

The Georgian pipeline which, according to experts, has over 2,000 damaged parts, will require $245 million in investments. Turkey, interested in oil transportation through Georgia, has repeatedly said that it is ready to finance a reconstruction of the Georgian pipeline almost fully.

Georgia: Georgia, Turkey Sign Agreement Uniting Railroad Networks

LD1304163996 Moscow INTERFAX in English 1543 GMT 13 Apr 96

[FBIS Transcribed Text] TBILISI, April 13 (Interfax) — Georgia and Turkey signed an intergovernmental agreement in Ankara earlier this month to unite their railway networks, Georgia's Railway Department Chairman Akaky Chkheyidze told Interfax.

This agreement will play an important part in the integration of the two countries' transport complexes into the global system of communications, he said.

Turkey will build a 130-kilometer-long railway to the Georgian border town of Akhalkalaki, while Georgia will repair a 165- kilometer-long section of an already existing railway to this town.

Experts estimate the project at $250 million to $300 million, Chkheyidze said.

The construction, to start by the end of 1996, is expected to take up to three years, he said.

On the first stage, the railway's handling capacity will be 10 million tonnes of cargo a year. Experts reckon that the project will justify the costs in five years. It will also help reduce the high unemployment rate in south Georgia and north Turkey.

The new railway will help restore an important section of the Great Silk Way and shorten the route of Central Asian goods to Europe, Chkheyidze said.

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Estonia

Estonia: Swedish Prime Minister Meets Vahi, Meri

LD1004181496 Tallinn Estonian Television Network in Russian 1545 GMT 10 Apr 96

[FBIS Translated Text] Goeran Persson, the new Swedish prime minister, was in Estonia on an official one-day visit today. It was the Swedish prime minister's first visit abroad and it took place according to a corresponding agreement between the two countries' prime ministers.

In a speech on his program, Persson, acting as prime minister of Sweden from the second half of March, expressed serious support for the Baltic countries. The Swedish mass media and members of the Swedish Social Democratic Party have interpreted Persson's speech as an exceptionally powerful expression of support for Estonia, Latvia, and Lithuania.

During Goeran Persson's meeting with Estonian Prime Minister Tiit Vahi, the issues of bilateral relations were discussed, including economic and trade links and the possibility of investing Swedish capital in the Estonian economy, as well as issues of European security and the current situation in Russia.

During the second half of the day, the Swedish prime minister met Estonian President Lennart Meri. [video shows Persson meeting Vahi, Meri]

Estonia: Swedish Prime Minister on NATO Application, Visa Talks

LD1004202796 Tallinn Estonian Television Network in Estonian 1800 GMT 10 Apr 96

[FBIS Translated Excerpt] Swedish Prime Minister Goeran Persson, who was in Estonia for a one-day visit, emphasized that in its aspirations to join the European Union and NATO, Estonia has chosen the right path. Persson stated that Sweden will in every way support Estonia's aspirations.

[Unidentified correspondent] [passage omitted] Persson stated that Swedish investment in Estonia will increase since the business people over there are very much interested in this. Cooperation is indeed most specific in trade and the exchange of services. [passage omitted]

His meeting with President Meri also dealt with Estonia's relations with the EU and Russia. According to Persson, Estonia has been holding talks with Russia in a constructive manner, and well. The Swedish prime minister emphasized that Estonia has made its choice, and when it comes to joining NATO, Russia's opinion should not influence our firm course.

Regarding EU membership, Sweden favors the simultaneous opening of talks with the Baltic states, but the result would depend on the progress of these talks. Sweden pledged its expert help in those talks.

The subject of the possible introduction of visa freedom was also touched upon. Persson said that Sweden expects that Estonia will first and foremost ratify the Geneva convention, and thereafter talks could begin at a new level. [passage omitted]

Estonia: Foreign Ministry Will Not Respond to Russian Ruble Memo

LD1304123196 Tallinn Estonian Television Network in Estonian 1800 GMT 12 Apr 96

[FBIS Translated Text] The Ministry of Foreign Affairs does not intend to respond officially to the Russian memorandum on rubles, which demands compensation for the rubles collected during the 1992 monetary reform. Foreign Minister Siim Kallas said that the Ministry of Foreign Affairs treats this paper as a provocation whose aim is to create conflict in Estonian domestic politics:

[Begin recording] [Correspondent Jaanus Kosemaa] Siim Kallas said that the Russian memorandum on the rubles has no logical basis since the rubles were the property of the state of Estonia. Hence Estonia had the right to decide what to do with them. In Kallas's view, Estonia will be able to defend this position to the end:

[Kallas, to camera] There are certain traditions in international practice as to how any kind of demands are presented. There are mainly two forms: one is the note, which has a form stipulated by international conventions; and the second is a personal letter, well, say, from some statesman. This one is neither of those; it is the so-called — there is this expression in English: non-paper — which has neither date nor signature, and the Ministry of Foreign Affairs will not be responding to it.

[Kosemaa] The Estonian Ministry of Foreign Affairs intends to respond to the accusations made publicly within the past few days by the Russian Ministry of Foreign Affairs, also publicly, according to Kallas. As Kallas sees it, the memorandum is aimed to have a more provocative character: to create a conflict within Estonian domestic politics.

[Kallas] This is first and foremost an attempt, and quite a logical one at that, to create a rift between two partners within the coalition: the Party of Consolidation and the Reform Party; and had this conflict flared up, it would have led to the Reform Party leaving the coalition; and

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this is why it is quite clear that this is precisely what we [the Reform Party] will not be doing.

[Kosemaa] In the foreign minister's opinion, it is altogether remarkable in Estonia that once a foreign-policy initiative surfaces, different political forces always find a common position on it; and once the situation is calm, the focus goes back to the relationship to each other. [end recording]

Latvia

Latvia: European Parliament President Addresses Parliament

LD1104180596 Riga Radio Riga Network in Latvian 1300 GMT 11 Apr 96

[FBIS Translated Text] A visit by European Parliament President Klaus Haensch to our country has ended. Our Saeima [parliament] correspondent Didzis Jonavs will sum up the results of the visit:

[Jonavs] A quite clear explanation of the road that Latvia will have to tread if it wants to join the European Union, given by the president of the European Parliament to our state leaders and deputies, is the most significant result of Klaus Haensch's visit. In his speech at the Saeima, Klaus Haensch noted that the enlargement of the European Union will definitely happen and that the way in which it will begin is completely clear. Talks with candidate countries on their admission to the European Union may begin six months after the conclusion of the intergovernmental conference, which is currently under way in Turin.

Klaus Haensch stressed, however, that the same basic requirements apply to all candidate countries. First of all, they should pass the European Union's legislation, especially in the spheres of competition policy and social and environmental standards. Second, they should create strong democratic structures. Third, they should introduce a real market economy and fully observe human rights and the principles of a law-governed society. Klaus Haensch noted that progress can be seen in the set of measures carried out by Latvia in order to join the European Union. However, the road to the European Union will be long and difficult.

The president of the European Parliament refrained from mentioning a specific date when Latvia could be admitted to the European Union. The period of time between the years 2000 and 2010 was mentioned. However, even if Latvia is ready to become a member of the European Union within that time, it would not, nevertheless, happen without taking into account some other important circumstances. What is meant here is the Baltic states' unity.

Klaus Haensch in his address stated unambiguously that the Baltic states could be admitted to the European Union either all three together or none of them. There are several reasons for such an approach. First of all, joining the European Union by any new member means changes in the structure of the European Union, that is, in commissions and in the court. The European Union will not begin such processes every half year for the sake of each Baltic state. Second, and what may be the most important point, Klaus Haensch believes that although a country's economic and political readiness is, of course, important for joining the European Union, geostrategic circumstances are much more important. Of course, talks with each Baltic state will proceed individually. The outcome of the talks might also be different. However, the date of entry will be the same for all three Baltic states. Klaus Haensch reiterated this once again at a news conference before his departure from Latvia.

The European Parliament president also stressed that the European Union itself is not quite ready to admit new member states. During the intergovernmental conference, it had to rearrange (?several) functions. Reforms have to be made to European Union policies, that is, agricultural policy and structural policy. Reforms also have to be made in the financial sphere; and all this has to be done before the transfer to the common European currency, that is, before 1 January 1998. The aim of the reforms is to make the European Union more effective, democratic, and open.

Klaus Haensch also noted that it is necessary to carry out these reforms as the aspiring countries, including Latvia, wish to join a Union that functions well and helps them achieve their stated goals. Latvia does not need a paralyzed and bankrupt Union (?when it joins), said Klaus Haensch. Yet at the same time, he emphasized that the task of the European Union is to open doors. But the decision on whether to open the door or not rests with Latvia itself.

Latvia: European Parliament President Meets Ulmanis

LD1004200496 Riga Radio Riga Network in Latvian 1700 GMT 10 Apr 96

[FBIS Translated Text] The President of the European Parliament, Klaus Haensch, upon his arrival in Latvia today, indicated the determination of all the member states of the European Union to extend the organization in an easterly direction. [Begin Haensch recording — in German, fading into Latvian translation] I am very pleased to be in Latvia and Riga. This is one of my first visits to a capital city outside the European Union. I have made these visits more quickly than I have had

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time to visit all the capitals of the European Union countries, something I ought to do as President of the European Parliament. And I want (?here in Riga to acquaint) the government with the European Union, and also I am having personal dialogues with those countries which have become associate members of the European Parliament. We would like the dialogue to become more (?lively) and intensive, and we have to teach each other what our intentions are, and what (?your difficulties are). Irrespective of the fact that (?we have a long way to go), we are strongly committed to Latvia becoming an actual member of the European Union [words indistinct]. [end recording]

Meeting with Saeima Chairwoman Ilga Kreituse, Haensch emphasized however, that although the political parties have expressed support for Latvia's path to the European Union, all (?aspects) of this issue have still to be (?discussed by) the public. In a talk with Latvian State President Guntis Ulmanis, Haensch called for more active cooperation in the Baltic countries in political, legislative, and economic spheres. He noted that (?the shortest way) for the European Union's acceptance is the formation of groups of states which have similar (?geographic and) strategic situations. The Baltic countries (?would) not wish to be admitted (?with an interval) of a year or half a year. Moreover the talks with associate members will not start, he believes, before 1998. Haensch also met the prime minister and Saeima deputies today. Tomorrow Haensch is due to speak at a special session of the Saeima and meet with the Minister with special responsibility for European Union affairs.

Latvia: Foreign Minister Seeks Swift Integration Into EU

LD1204193496 Moscow INTERFAX in English 1537 GMT 12 Apr 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] RIGA, April 12 (Interfax) — Latvian Foreign Minister Valdis Birkavs called for fast integration of his country into the European Union while constructive relations are maintained with Russia and CIS member states.

"While making one step eastward, Latvia must make two or three steps westward," he said at a news conference in Riga Thursday.

Latvia "will maintain bilateral relations with every CIS member state but not with the CIS as an entity or any of its structures," Birkavs explained.

The Baltic countries still may be the first to negotiate membership in the European Union, he believes. Birkavs called for simultaneous admission of Latvia, Lithuania and Estonia into the EU.

Birkavs said that within the first 100 days of the new Latvian government "the diplomatic corps has been reoriented to attract foreign investments so as to develop competitive production and technologies in the country."

Free trade agreements will be signed with the Czech Republic, Slovakia and Slovenia shortly while talks on such agreements with Poland and Hungary are underway.

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